

Digitized by the Internet Archive  
in 2022 with funding from  
University of Toronto

<https://archive.org/details/31761115492175>











26  
77

198  
Government  
Publication



E-34

E-34

ISSN 1181-6465

**Legislative Assembly  
of Ontario**

First Session, 36th Parliament

**Assemblée législative  
de l'Ontario**

Première session, 36<sup>e</sup> législature

**Official Report  
of Debates  
(Hansard)**

**Tuesday 10 June 1997**

**Journal  
des débats  
(Hansard)**

**Mardi 10 juin 1997**

**Standing committee on  
estimates**

**Comité permanent des  
budgets des dépenses**

**Ministry of Health**

**Ministère de la Santé**



Chair: Gerard Kennedy  
Clerk: Rosemarie Singh

Président : Gerard Kennedy  
Greffière : Rosemarie Singh



### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.





## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Tuesday 10 June 1997

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mardi 10 juin 1997

*The committee met at 1535 in committee room 2.*

## MINISTRY OF HEALTH

**The Vice-Chair (Mr Rick Bartolucci):** Ladies and gentlemen, before we start, I'd like to introduce the legislative staff. Rosemarie Singh is of course the committee clerk. Alison Drummond will be taking Steve Poelking's spot for the next little while, as he has sought and received other employment. Our Hansard person today is Carolyn Brown. We welcome you all to the committee.

We went through the introductory presentations last day and now we're at the question-and-answer stage. The customary thing to do here at estimates, I understand, is for each party to have 20 minutes to question the minister and the minister's staff. If we have no disagreement, we will continue with that procedure, and the rotation will be as follows: the official opposition first, the third party, and then the government. Any discussion? If not, I'd like to welcome the minister back.

**Hon Jim Wilson (Minister of Health):** Thank you.

**The Vice-Chair:** We'll begin with the official opposition. Mr Kennedy, will you be starting the questioning?

**Mr Gerard Kennedy (York South):** Yes. Thank you for your presence, Minister. I'd like to direct my first questions around the general amount of health expenditure and some of the presentation of that there has been to the public. There was reference made throughout the course of the last quarter of the year to exceeding commitments made with health expenditure. When we finally received the budget, it looked as though something like \$17.8 billion was being spent in health care, but I think the minister himself has already acknowledged that that's only by an accounting trick. In fact, quite a bit less money was expended last year.

It's very important for the credibility of the ministry that we understand what has occurred here. I think the deputy would be helpful, but I'd like to hear from the minister as well. Do you not agree that last year there was an accounting entry of about \$415 million which constituted the 25th payment to hospitals? What that really means, if you concur, is that while it looks like more money was spent, there was no extra money available to hospitals; it simply pumped up the amount of money that seemed to have been spent last year. Would you agree that's the case?

**Hon Mr Wilson:** This will take me a minute, if I may. The ministry's practice for many years was that hospitals were on a bit of a different fiscal year than the rest of us, given that about three weeks of the fiscal year was held back every year. You're right, Mr Kennedy; that was

about \$400 million. We decided on a one-time increase in hospitals' base budgeting last year, and they actually received an increase — one time; no press release — of about \$400 million. Not only did they get what we had announced in estimates in the Ontario budget last year but also a one-time increase. There's no accounting trick. We decided it didn't make sense to hold back money three weeks after the fiscal year had closed.

Moving to the PSAAB system as we have, it made sense to flow all the dollars in the year in which they're announced. To make that adjustment, there was a tremendous benefit. In fact, what it did — and we never bothered to announce this, because it was just accounting, although it was real, one-time cash to hospitals — was that the two years of 6% and 11%, with all growth reinvestment and with the one-time money back in, the average was not 11% over two years; the average would be a lot closer to 8% or 9% across the province.

It was real cash. I would bore you, but I could certainly make available the about seven letters we got from hospitals who said thanks very much for the accounting change.

**Mr Kennedy:** Yes, but I will quibble with you around the basic implication of this money. It was not extra money that the hospitals could spend. Is that correct?

**Hon Mr Wilson:** It was last year. It was real cash of about \$415 million.

**Mr Kennedy:** But what the hospitals said to us was, "Finally the government is paying its bills on time." This money was not additional money to their budgets. Is that correct?

**Hon Mr Wilson:** It wasn't permanent money added to their base budgets, but it was real money. A number of them spent it as they received it.

**Mr Kennedy:** Because the holdback has been a feature for the last number of years, do you not agree that what you did was provide \$415 million three or four weeks earlier than you normally would, that there's no increase, as the budget accounting would suggest, in the amount of money hospitals had to spend? Alternatively, are you suggesting that hospital budgets were increased by \$415 million? We've talked to 25 hospitals and not one of them has said that. I'd like you to clarify that today, if you could.

**Hon Mr Wilson:** I never said that. I never put out a press release. I've never pretended otherwise.

**Mr Kennedy:** There was an article in the paper that suggested that. I'm not holding you accountable for that. I just wanted to find out today.

**Hon Mr Wilson:** There was an accounting change to the benefit of hospitals of about \$415 million.



**Mr Kennedy:** The accounting change has implications, though, because what it means, Minister, I think you recognize, is that the real level of health care spending, if we were to not do the accounting change and were to compare apples and apples, went down last year. The amount of money being spent by the ministry on programs in operating went down. You recognize that in 1994-95 it was \$17.69 billion, in 1995-96 \$17.64 billion, and then last year \$17.52 billion. This is in contradiction to what we've been hearing. On page 7 of the Common Sense Revolution it says health care spending will not be cut. That clearly looks like about \$165 million has been cut. Do you agree that's the right and proper way to read what has happened in terms of the budget?

**Hon Mr Wilson:** No. In fact, what I read is that interim actuals were \$18.111 billion, so well over \$18 billion. That includes the one-time cash. Subtract \$400 million from that and you're still significantly above the \$17.4 billion.

We're not the ones, by the way, who kept saying we spent \$17.8 billion last year. That was your party, and it was your spin on the budget that said we only added \$1 million. The actual planned amount last year was just above the \$17.4 billion. Add in the one-time money and a few other expenditures — the drug program was up last year and other pressures — and we ended up spending a lot closer to the \$18-billion mark than the \$17.4 billion.

**Mr Kennedy:** Again so we're not mixing apples and apples, we take the capital money out when we discuss operating. We'll come to capital in a minute.

**Hon Mr Wilson:** That isn't capital.

**Mr Kennedy:** In your \$18.11 billion it is. If you take out your capital money, you're looking at an operating expenditure of \$17.9 billion which, after \$415 million is deducted, drops to \$17.528 billion. If you agree that the \$415 million is accounting, that's what it is.

**Hon Mr Wilson:** If I may say, the Common Sense Revolution talked about the total health care budget of \$17.4 billion, which meant actual operating of \$17.2 billion and close to \$200 million in capital. That was the commitment when I helped write that section of the Common Sense Revolution in May 1994, a year before the election. Subsequently, we've exceeded that. We've taken capital out of that figure, so the true operating dollar is now in the \$17.8-billion range, plus unprecedented amounts for capital that will be spent as a result of not only regular capital programming of close \$160 million this year, but also \$2 billion of new money over the next three to four to five years to ensure that we get the restructuring done properly.

**Mr Kennedy:** This is important, because the people of Ontario want to know what's happening to their health care system. Last year, there were less dollars spent on operating, the part of the system that reaches the patient right away; less than the year before and less than the year before that. There was a cut of \$165 million. Do you not agree that's the case? You can consult your deputy and so on, but we need to know. Unless that \$415 million has some other value, indeed health care spending has been cut, and we need you to confirm that.

**Hon Mr Wilson:** No, it hasn't been. I'd ask you to point to some line that indicates that.

**Mr Kennedy:** I'll refer you to the operating summary.

**Hon Mr Wilson:** I'm looking at it.

**Mr Kennedy:** The line that reads "Ministry Total Operating," if you deduct from that the accounting change —

**Hon Mr Wilson:** Page 8 in the book, for all members.

**Mr Kennedy:** Sorry; I don't have a page number on mine. If you deduct the accounting change from \$17.943 billion, it's \$17.528 billion. Minister, you've agreed it was an accounting change.

**Hon Mr Wilson:** Could you point to the line?

**Mr Kennedy:** Column (e), interim actuals for 1996-97; \$17.943 billion is the published figure, \$415 million of which is an accounting change. You're looking at the line reading "Ministry Total Operating," in 1996-97 interim actuals, column (e).

**Hon Mr Wilson:** You must have a different book.

**The Vice-Chair:** Mr Kennedy, I can't find it in mine either.

**Mr Kennedy:** Sorry. That's the wrong book.

**Hon Mr Wilson:** Mine all show well over \$18 billion.

**Mr Kennedy:** Sorry. I don't have a page number, but there is a page entitled "Ministry of Health Operating Summary." I'm looking for the pagination.

**The Vice-Chair:** It would probably be page 10 of the estimates, 1996-97.

**Mr Kennedy:** Thank you for that facilitation. In column (e) on page 10, interim actuals read \$17.943 billion. What I'm asking you to clarify is that if \$415 million is an accounting entry, the balance is what we should take to be the comparable. Is that not correct? The effect is that we're getting 25 payments to the hospitals instead of 24. There is no extra increase in the budget. You have agreed to that.

**Hon Mr Wilson:** But even if you do that math, it's still well above the commitment. Health care spending is still way up.

**Mr Kennedy:** I won't quibble with you on that, but a reasonable figure — I would like your ministry to perhaps provide us with the figures so we can have them. It's very important for this committee to have comparable accounting figures. The figures I would submit for your consideration are that the comparable figures for 1994-95 are \$17.69 billion, and for 1995-96 it's \$17.64 billion, which you can see in your 1995-96 actuals on the same page, and then \$17.528 billion. I think it is important. Health care spending has gone down, not up, by any reasonable calculation of what impacts patients in Ontario today.

**Hon Mr Wilson:** No, there's no evidence of whatsoever in any of these estimates books.

**Mr Kennedy:** You're contradicting yourself. The \$450 million either is or isn't an increase in budget. If it's not, it's simply an accounting entry, and that should not be used to delude people about how much money is being spent on the services they need.

**Ms Margaret Mottershead:** May I? There is a distinction between ongoing operating costs and one-time costs. We do have in the Ministry of Health budget, in some of these costs, some one-time costs that are not capital costs. An example I would give is in hospitals. When they do dialysis or when they do cardiac, it's based



on volume; we actually pay for the number of cases done at the hospitals. In some years it's higher, and in some years it's lower, all reflective of the need and how many procedures are done.

The point I would like to make for the committee is that in the year in question, with that one-time expenditure for hospitals, there was total spending. The money that was spent from the budget was for health care; it was for no other purposes. Therefore, to suggest that there was less spent if you were to take out that amount for the holdback is not accurate. The taxpayers actually spent that amount of money on health care.

**Mr Kennedy:** Ms Mottershead, I have here the memo you sent, and in it you refer to an accounting change. In the comment in the Toronto Star, the executive assistant to the minister refers to it as accounting changes, as the minister does in the same story.

The minister, in the last session we had, said it was "an accounting change as we change our accounting system." What we're trying to get at here is, if there had not been an accounting change, what is the comparable figure? Are you not in a position to provide us with what the comparable expenditure really was? In your memo you make it very clear this is an accounting change and it doesn't impact the budgets. It doesn't give any extra money to hospitals, it's simply money that's parked there for the purposes of changing the accounting practice.

1550

**Ms Mottershead:** It is an accounting practice change. It is money that was given to the hospital earlier, as I indicated. It is extra revenue they would have had in the year that they did not anticipate. It gives them in this year, 1997-98, their full value of 12 full months of operations. There is no holdback involved in this year. If you were to compare actual hospital spending and availability of revenue to them from the government, this will be the first time in about 30 years they will have the full year of operations, and that's a significant commitment.

**Mr Kennedy:** But Deputy, you're not contradicting the minister. They can't increase their budgets to take advantage of that. This only saves them any borrowing charges they might have because they're waiting for the government to make its final payment. Is that not correct?

**Ms Mottershead:** Or pay someone on costs that they have. They actually use the money for their operations.

**Mr Kennedy:** Deputy, this is very, very important here. This is not incremental money, is it? This is not additional budget money for these hospitals, is it?

**Hon Mr Wilson:** We have said very clearly it was one-time money in that fiscal year. We made no bones about it. We didn't even put out a press release. The other choice was to change accounting systems and keep the \$415 million, and I said to the deputy: "No, give it to the hospitals. I'm sure they'll put it to good use."

**Mr Kennedy:** But it's not extra money they had, Minister, and it is not fair.

**Hon Mr Wilson:** It is extra money.

**Mr Kennedy:** It is not fair to suggest, if there's any implication left dangling here, that that money was able to be utilized by the hospitals, because it was not, and in truth, it should not be used as a comparison to what they

had the year before. Twenty-five payments were made to the hospitals. It's a simple accounting change and it's not extra money they had to spend. If you're able to compare apples and apples, Minister, I'll leave you with this assertion: I would welcome if the ministry would produce its own figures in this regard, comparable figures to tell us how much money was really spent in the health system this year and last, save for an accounting change that doesn't affect the bottom line but could — and I'm sure you don't wish for this to happen — distort people's perception of how much money is being spent. The real expenditure, I would suggest to you, is closer to \$17.5 billion and the result I think is that people need to know that is there.

Minister, could you or the deputy produce figures that would show us what would have happened had that accounting change not taken place, so that we don't take up more of your valuable time here today?

**Hon Mr Wilson:** Yes, we'd be happy to. I don't know how you can explain it further than by what's in front of you or looking at the auditor's report.

**Mr Kennedy:** We talked, by the way, to the auditor's office and they question some of this. We would be happy to refer it to them for explanation if that would be agreeable to you.

**Hon Mr Wilson:** Absolutely. You're free to do that without my permission. I regret now, I suppose, that I didn't brag about this because I'm sure our assistant, Bill Hawkins, is off running and getting the letters from the hospitals that say thanks. I know one hospital got \$1.9 million it wasn't expecting, one-time money. It had nothing to do with our ongoing operating dollars. Their budgets are as announced by the finance minister for this year. Any piece of paper you look at in here indicates that the health care budget is up well above the \$17.4 billion, well above what we inherited, and we're hitting a record level this year.

**Mr Kennedy:** But it's \$160 million —

**The Vice-Chair:** Mr Kennedy, we're moving to the third party now.

**Mrs Marion Boyd (London Centre):** I'd like to take a different tack on it. It's the same number and it's the same problem. If the hospitals were as grateful as you suggest and the dollars were flowed in that way on an accounting basis, are they in a position to be prepared to see what instead of being an increase is going to be a decrease?

One of the problems you have, Minister, I think, is that if you are going to tout that \$17.9 billion as being real money and real proof that you're spending more on health care than any other government ever has — and that's what you've just done — then how are you going to explain that your funding is dropping next year? You can't really have this both ways. This is either an accounting issue that puts us on a track we haven't been on before, where it's strictly an accounting issue and it looks like you've spent \$17.9 billion but in fact you've spent \$17.5 billion, or you've spent \$17.9 billion this year and it's a drop in your budget next year rather than the increase you've touted in your budget. It can't be both. It's got to be one or the other.



**Hon Mr Wilson:** If we look at column (c), the interim actuals, what was spent last year, 1996-97, it's \$17,945,000 and change, and we then look at what we plan on spending this year, it's \$17.849 billion. I you just compared those two, your point would be correct, except we've explained that in (c) is contained that one-time cash to hospitals.

Also, because nobody's estimates ever come in bang on, the Ministry of Health always ends up at year-end spending — we will probably end up spending more than the \$17.849 billion because we don't deny people service. For example, recently we flowed millions of dollars to St Mike's, Sick Kids, Toronto Hospital, a whole list of hospitals. They finish their year-end on March 31, then they give us their actual operations performed. Remember, these are estimates. Hospitals put in an operating plan. They project they'll serve X number of dialysis patients, do X number of cardiac surgeries, and when those surgeries are actually performed or, in the case of St Mike's recently, we just gave them over \$2 million a couple of weeks ago to reconcile their books because they did more trauma cases; more people came through the door by helicopter or ambulance and needed service. One of the things that's frustrating, I suppose, all ministers of health is these cases that are raised in the House that somebody isn't going to get service. Everybody gets service in Ontario and every government reconciles with the hospitals after year-end and all the bills are paid. The government has never skipped out on paying its bills.

**Mrs Boyd:** I certainly agree with you, but when you look at these estimates, and particularly when you look through at the detail in these estimates, we are seeing in fact a situation where the way you account for that overrun, which it really is — if you're looking just at a hospital flowing itself, we're looking at almost a \$500-million overexpenditure in health care. Either Mr Kennedy is right and that was all flowed to the hospitals to do an accounting change, or in fact you spent \$465 million more, whatever the actual number is, on hospital care and next year you're going back to almost the level that was in the estimates for the year before.

I'm saying if hospitals needed that, if the actual expenditure was such that those represent real services that were done and that what they actually need is that extra \$450 million to \$500 million in order to offer the services on the level we have, why does your estimate not reflect that? Are you being honest when you tell us you're increasing your funding for those services, when it would be an actual decrease if you met your estimates next year?

**Hon Mr Wilson:** Perhaps, Ms Boyd, we'd go through that line of institutional health. If we look at the estimate, we estimated when I was before you last year that we would spend on institutional health, which includes hospitals and some other institutions, \$7,480,753,400. We ended up, with the accounting change, some pay equity adjustments and a few other things we had to do, spending in real money \$7,926,006,360. So if you take the \$7.9 billion and subtract the \$400 million one-time, plus some one-time pay equity adjustments — I think the deputy could explain in great detail what's in there, but that's

what comes to mind for me — you end up that we're estimating this year we'll spend on institutional health \$7,487,000,000.

**Mrs Boyd:** Minister, I think we would help ourselves if we look at page 66, which is the detail on institutional health. I think this is an extremely important issue for us to be talking about. When you look at the detail here what we see is, if we are looking at hospitals and related facilities in 1996-97, that they were overspent by \$445,252,960. We're over your estimate by that much. The actual difference from what was spent to the estimates for that line, leaving out the hospital restructuring issues, is \$656,613,360. In other words, there's over \$656 million less, leaving out the restructuring thing, that will be available for hospitals to operate in 1997-98.

**1600**

That is not what the people of Ontario have been led to expect. You explain the \$218-million hospital restructuring as helping the hospitals to meet their obligations around closing hospitals. That means severance pay. We all know that. It means severance pay; it means the human resource plans; it means the legal agreements, legal services that are required to transfer hospitals. We know what that means. That is not hospital care in that \$218 million.

I would say to you very clearly that Mr Kennedy has asked you a question that you have answered by saying the difference between the estimates last year and the expenditure this year is services. Then if we look at next year and what the actual dollars break down to in detail, we are looking at a situation where hospitals, which have been told that next cut is not coming — people in Ontario who have been told you're spending more than you've ever spent before — are going to see a huge drop in services, because \$656 million is a huge drop in services.

**Hon Mr Wilson:** The deputy will explain further, but of your \$600-million figure, we've already explained \$400 million. We also are being I think more honest in this set of books. We actually have line called "Hospital Restructuring." The \$218 million has been booked as a result of some of the decisions that have been taken by the commission at the time that the estimates were to be prepared, at the time the budget was being prepared. We booked that so hospitals would know that the commitment of the government is to pay for every decision that comes out of the Health Services Restructuring Commission.

Given that no restructuring has occurred yet, we have a rather miscellaneous item called \$218 million in some restructuring dollars. You're right, they are retraining costs; they are other costs built in there. I think it's a more honest way to show restructuring as a separate item. Remember that hospitals under your government paid for a lot of this internally and it was all jumbled up in the figure. So it wasn't necessarily going into front-line services either. We're the first ones now to take it out and show what the added costs are of restructuring. In addition, you can see the base budget of the hospitals is fully intact there as per the finance minister's announcements, and perhaps the deputy would like to elaborate further on that.



**Ms Mottershead:** I'd just like to add a comment. If you look at the estimate from 1996-97, \$7.480 billion, compared to the estimate of \$7.269 billion, it indicates a reduction of \$211 million. The hospitals actually were targeted for a 6% reduction in 1997-98. That 6% reduction was equal to \$435 million. What this shows you is that the hospitals are only getting a 2.8% reduction rather than the full 6%. In other words, they're not taking \$435 million; their only reduction is \$211 million and that's more than offset by the \$218 million in terms of the reinvestments in restructuring.

**Mrs Boyd:** But it isn't hospital care. You keep saying that you are providing the same level of care to the people of Ontario and when we look at this —

**Hon Mr Wilson:** We're providing more care, actually. All our stats indicate our surgeries are up, our dialysis is up, our transplants are up. We're providing more care with slightly fewer dollars. We review the operating budgets and we're making sure, to the best of our human ability, that the funding reductions come out of administration, duplication and waste. I would like to see the evidence of less care in the system. None of the experts, none of the hospitals will tell you they're serving fewer patients; they all report serving more patients.

**Mrs Boyd:** You misunderstood me. I didn't claim less care; I said fewer dollars going to patient care. Please listen carefully: fewer dollars going to patient care. You're right: In 1995-96 real expenditures, and in 1996-97 estimates and actuals, your government has not taken out the amount of dollars that have actually gone to restructuring. You haven't done that.

We don't know how \$218 million stacks up against what we do know have been big severance costs to hospitals in the restructuring they've already done. We've given you examples of that. Hospitals have delayed; they have gone from having seven administrators to three and there's a severance package attached to that; they have changed the way in which they deliver services and nurses have lost their jobs as a result. We know that has happened because of the figures available in terms of lost staff. All that means there have already been huge restructuring costs that have not been accounted for separately.

If you're going to take advantage of that in terms of telling us how great your budget is and your estimates are, then you owe it to us to answer the question that we certainly have asked you before: What percentages of the budgets in 1995-96, when you were in government, and 1996-97 actually were already restructuring costs, and when you take those out of the overall costs, what was the actual amount spent on patient care?

It's a simple question. It simply means that when you spin it that your whole budget is giving more patient care, all we're saying to you is that you need to be very clear with people that in units served, in some areas, yes, you can show some increase, but those dollars you're so proud of are not necessarily all going to patient care; they are covering a whole lot of costs that have nothing to do with patient care.

**Hon Mr Wilson:** This is a very good-news page and very different from the way your government conducted

itself. The Toronto Star and others reported a 6% decrease in that budget for hospitals; the actual was 2.8% because of our growth funding and our reinvestment in priority programs. I've said 100 times, "Yes, we're taking money out of hospitals, and we're putting it right back into those same hospitals." So could somebody please write a story saying it wasn't 11%, it certainly wasn't 6% last year; it was 2.8%, actual audited figure.

Rather than a reduction of \$435 million, they received a reduction of \$211 million in actual dollars. We more than made that up by adding in \$218 million. This line item called "Restructuring" has never existed in the Ministry of Health estimates before. Your government didn't have it. Your government made them out of that first line item of \$7 billion; paid for all their legal fees, for the layoff of nurses, for retraining, anything that was outside of —

**Mrs Boyd:** As did yours for the last two years.

**Hon Mr Wilson:** No, ours didn't. This is to pay back hospitals for restructuring that was ongoing as we came into office. We've separated it out for exactly the reason you said. We don't want them dipping into their operating dollars. We're giving them separate money, \$218 million, plus a total of \$2 billion over the next three to four years — you'll continue to see this line item on ever-increasing numbers — because we felt it was unfair for them to dip into their operating budgets, which would affect patient care if it went beyond getting rid of the waste in administration and duplication. Hospitals, compared to what's out there in the public's mind, are being funded on a far higher level than this government is being given credit for.

**Mrs Boyd:** So this is a retrospective amount. In other words, you're saying that you've changed the accounting so that there isn't this holdback, but what you in fact are doing — I understood you correctly — this \$218 million is the cost they've already incurred. In fact, when you stand up in the Legislature and tell us we have all this money, "Don't be afraid of restructuring because this money is already allocated," that's not true, is it? In fact, this money is retrospective. This is the cost they've already incurred and that you're repaying them for, if I heard you correctly.

**Hon Mr Wilson:** The \$218 million is for restructuring that was booked up to March 31 and hospitals very clearly made the point that previous governments were making them become more efficient and weren't paying for it. We came in and said: "We'll pay for it. In fact, we'll pay for it more than you've seen in a reduction, so you're ahead. But we're going to be honest. We're not going to call it patient care. We're going to call it hospital restructuring and it's to do with legal fees, retraining and all that sort of stuff."

I can't explain it any better. You can't spend this any other way. Hospital budgets on net are up, but we've been honest in saying, yes, we've asked them to reduce administration and duplication and we will put money back into priority programs and we will pay for restructuring. It's actually very good news and the hospital association is extremely pleased with the approach the government's taken.

1610

**Mrs Boyd:** But there's actually no more money in this budget for next year to give anyone any comfort about the massive restructuring that's happening across the province and where the dollars are going to come from to pay for that. In fact you have not allocated dollars for this year at all. This is retrospective. Do I understand you correctly?

**Hon Mr Wilson:** The deputy will explain the restructuring.

**Ms Mottershead:** In the Ontario budget there was an amount indicated of \$850 million for restructuring costs that were booked for 1996-97. The \$218 million, because we now have different accounting rules, represents what we think is the cash drawdown by the hospitals on expenses incurred to the end of March 1996-97. The Ontario budget also has in it a figure of \$450 million which is our estimate of restructuring costs for 1997-98. That amount would be in addition to the \$18 million — or \$218 million, but it can't be accounted for on a cash basis until you start drawing on it.

What you have is an accrual accounting system in terms of the budget and what you have in these estimates is a lag between catching up of the accrual system to the estimates process. We're still on a cash basis.

**Mrs Boyd:** I beg your pardon, but you gave me two figures there.

**Ms Mottershead:** Yes.

**Mrs Boyd:** First you said \$400 million and then the minister corrected you and you said \$218 million.

**Hon Mr Wilson:** No, she said \$18 million; I corrected her.

**Ms Mottershead:** No, \$850 million is the accrued amount of potential restructuring costs incurred to March 31, 1997. The cash expenditure that we estimate from that particular accrual of the restructuring change is noted in the 1997-98 estimates of \$218 million. That's the number you have on table 66.

In addition to this, which doesn't show up in the estimates because it hasn't yet been converted to a cash number, is a commitment in the Ontario budget of \$450 million related to ongoing restructuring on an accrual basis. In fact, there's a further commitment of increasing that total amount and you now have \$850 million and \$450 million for \$1.3 billion that will grow to more than \$2 billion in the next three or four years.

**Hon Mr Wilson:** Let's do oranges to oranges. Oranges to oranges are the government has been accused of cutting hospitals \$1.3 billion, which is now absolutely untrue because we've delayed or postponed the third year —

**Mrs Boyd:** I noticed that was the same figure.

**Hon Mr Wilson:** Oranges to oranges, it's the same figure, \$1.3 billion for restructuring. Unfortunately one has to live through this period of criticism, but at the end of the day when historians are reading the books, they'll find that the hospitals' restructuring was paid for, that hospital cuts in fact didn't occur, that the money was reinvested and, by the way, the rest of the book almost on every page shows our close to \$1 billion in reinvestments that we've put back into the system, which is why the health care budget is at a record level.

**Mr Trevor Pettit (Hamilton Mountain):** I'd like to talk about the deal with the doctors, if I might. Ever since the deal with the doctors was reached, I've read a lot of stories and I've heard a lot of comments. Some of them, I believe, are truly outrageous, and not only from opposition members but from a lot of the so-called experts, how the government was perhaps fleeced by the doctors and how the deal with the doctors does nothing to improve things for the patients as opposed to being more on the side of the doctors. I'd like to get how, in your view, this deal benefits perhaps not only the doctors, but more importantly the patients, and second, how the deal with the doctors, in your view, is an improvement on the previous deals with the doctors negotiated by the previous government.

**Hon Mr Wilson:** An excellent question. I appreciate the opportunity in all sincerity to clarify this because I've been running around the province clarifying it and, surprisingly enough, the press have never asked me a question about it, except Jane Armstrong did one day, since the deal was signed.

First of all, doctors did not get a free increase. Those who wrote editorials obviously didn't read it. They get paid exactly the same when you walk in their offices today as they did the day before the deal was signed. Every service is exactly the same. The only possibility of a fee increase is in the third year and that is if they help us modernize the fee schedule. It hasn't been modernized in decades. We're still paying for surgeries that originally took an hour and a half and they take 20 minutes now. We're still paying at the hour-and-a-half rate because the fee schedule's not been modernized in years.

You hear it all the time when doctors come to your offices, they say, "Jeez, Dr So-and-so who doesn't have to do deliveries at 2 o'clock in the morning, but has a nice 9-to-5 practice doing a particular specialty, is getting paid at archaic rates," when lasers have made the job so much easier, when all the technologies came in in the last couple of decades and yet the fee schedule's not been adjusted one iota.

We have also signed in the deal — it's an element of the deal that doesn't get much attention, but should — that the doctors have agreed for the first time in many years to tackle this fairness question. We, for example, increased the delivery fees for obstetrical — that was the only adjustment in the fee schedule in many years — deliveries by 30% last year because we felt it was very unfair for doctors delivering babies to receive so much less than other doctors doing less onerous tasks and getting paid more money for it.

In this deal, although the fee schedule doesn't change one iota, doctors are paid exactly the same, and this is a great advantage to patients. It is consistent with the way we fund hospitals and other institutions and health providers. For the first time in many years the government, after two years of negotiating — this is the toughest round ever in the history of the province. I had 11 weeks off and a lot of scars to pay for it. Caving in is something where I just cringe when I hear that because it was two years of sweat, blood and tears on our behalf to finally agree that we would fund, over the next three years, 1.5% a year to recognize the growing and aging



population, which hasn't been done since about 1992-93 for doctors.

That's exactly the way we fund hospitals. Every hospital gives us a projection of the population in cases it will serve. It gives us this age-sex mix for tertiary care. It fills out all kinds of forms and that's how we decide their funding formula, which by the way is an improved funding formula in the last two years because we're actually trying to move, as we said in the Common Sense Revolution, towards patient-based budgeting. So it's, "Hospitals and doctors, tell us the patient population you're serving and we will recognize that in our funding formulas for the first time in many years."

What does it allow doctors to do? It allows them to see more patients. The 1.5%, they would argue as part of their negotiations was far too low, it doesn't recognize the actual growth in aging, but again it's a negotiated amount and we think it's a sufficient amount to see the new Canadians who have joined us in the past, since 1992, and clearly an aging population.

If we look at all our statistics — dialysis was supposed to grow at 10%; it's a lot closer to 15%. Hip and knee replacements you can barely keep up with. Cardiac surgeries: We've had to put \$35 million this year and \$8 million last year, unprecedented amounts to try and get the waiting lists down because these scholars who keep telling me that the growing and aging population has yet to come aren't actually running a system.

Our system right now is experiencing the growth in the aging every day and doctors have been trying to tell government that since 1992. We finally, after two years of negotiations, agreed, so they'll be able to see more patients but not an excessive number of patients. They'll have to continue to be prudent. They cannot start the treadmill because all the mechanisms to keep doctors' caps in line are still there.

Remember the NDP's caps were \$400,000 for everyone. Our caps now are \$380,000 for specialists and \$300,000 for GPs, significantly lower than the previous government's agreement. Doctors are capped at a lower level and in that they also have to accommodate a growing and aging population, which means certain doctors will hit their caps and other doctors will pick up that slack within the global budget of about \$4.1 billion. When you add 1.5% to that, my calculation is that's \$60 million a year. The reason we said the deal costs about \$100 million a year is that we're also going to continue to pay, although do an extensive review, including perhaps self-insuring or having a new insurance company — because we don't have an insurance company right now for the CMPA. It's just a group of doctors and a billion-dollar fund. It is not regulated by any government. There is no law that regulates the CMPA.

1620

I had quite a time to say, "Look, this government doesn't pay" — when I came to office, the first bill I think I received was about \$40 million to go into the CMPA. I looked at the fund and I said, "It's \$1 billion and, by the way, where's their books?" Margaret many times phoned Dr Stuart Lee at the CMPA, who's the secretary of this committee. It is a committee, not regulated by any government. It's not an insurance

company. It's not an insurance fund. It doesn't report to any government. It doesn't report to the public. We went through a terrible time of saying: "Docs, maybe other governments paid you \$40 million a year in malpractice insurance. This government doesn't."

Mind you, it was a deal. The Liberals in 1986 didn't want to look like they were giving the doctors an increase, so they said quietly, "Get off our front lawn and we'll pay any increase in CMPA above 1986 rates." Lo and behold, ladies and gentlemen, when the government got involved in paying malpractice insurance, the rates quadrupled — to an unaccountable body.

By the way, I was the chair of Canada's health ministers during that entire year and I have the endorsement of every health minister, including the federal health minister, in this country, to do what we did on CMPA, which was to have the honourable Charles Dubin review it. He made some recommendations and we're working on those recommendations to bring some accountability into this. Mr Sheehan, for example, you were in the insurance business. I mean, how could you set up billion-dollar fund that's not accountable to anyone?

I also tried during that year to have doctors scream about it. Why would doctors continue to pay? Remember they pay their portion of malpractice insurance up to the 1986 rates and we're paying everything above 1986, and the rates went up exponentially as soon as the public pockets were involved. Also, we should continue to encourage our doctors to ask for some accountability in their fund, a billion-dollar fund, and all the advice I get, for example, is far more on a per doctor basis, far more in reserve than most of the large US fund holders are holding on behalf of their doctors.

The excuse given in 1986, for example, by politicians who drummed this up was, "We're going to have California-type lawsuits in this province." We've not seen those. The excuse for building up a billion-dollar reserve in CMPA was to somehow address all these lawsuits. The former Attorney General who's here knows that our courts do not award what US courts give for life and limb. We don't have the multi-tens of millions of dollars in awards being given out; nor do we have the frequency of malpractice cases that we see in the US.

My view to this day, and perhaps I'll go to my grave, is the fund needs to be justified, it needs to be accountable. What we've done in the agreement therefore is a very firm commitment in writing, obviously a legally binding agreement, that both parties now will sit down and thoroughly review the CMPA, because taxpayers are paying everything above 1986 rates and we need accountability; and doctors need accountability in that system so that they know it will be there to cover malpractice insurance.

In a nutshell, Mr Pettit, the agreement recognizes the growing and aging population. It does not give a raise to doctors and it starts to deal in a very serious way with some of these malpractice insurance issues and other issues that are important to the profession and important to patients.

The final thing I'll say about the agreement is that it also provides about \$45 million in new money to try and get doctors out to rural areas and northern areas. We

announced just last week globally funded group practice contracts. We now have quite a menu of new types of contracts that doctors may want to enter into to help service our small towns in the areas of the province where we've having a great deal of difficulty in retaining and attracting doctors.

Plus, the final thing is that the agreement contains the 25% discount for doctors. We're just having our first class graduate now under this agreement. This clause in the interim agreement came into effect in December. So from December, for the life of the agreement — the next three years — any graduating doctor who wants to go into an overserviced area like Metro Toronto, like Ottawa, like London — these are general practitioners we are generally talking about, family doctors — will receive a 25% deduction after the fact. They'll bill at regular levels but they'll receive a 25% cut. Each month when they get their remittance cheque, 25% will be taken off if they choose to graduate from medical school and go into an overserviced area.

I think it's already having an effect. You've got doctors now clearly coming out and saying, "Where can I go other than Toronto?" I know in my area, because I represent an area just an hour to two hours north of here, we have a new doctor in Beeton, we have four new ones in Alliston, because they're starting to graduate, as they do from April until the end of June every year. We get about 400 to 500 year and they're starting to say, "Gee, it's not worth my while to go into an overserviced area," as in the past, and they're starting to migrate; it's going to take some time. They're starting to more and more inquire about, "What towns need service that are near Toronto?" That's our first stage we're at now, and I think you'll see an eventual migration of doctors to where they are actually needed in the province.

I apologize for the lengthy answer but I appreciate the opportunity to explain it.

**Mr Ed Doyle (Wentworth East):** Minister, you had mentioned earlier that \$1 billion has been reinvested over the two years since we've been in office. I'm wondering if you can translate that into numbers as far as patients are concerned; for example, patients not only in hospitals but also patients who are community-based. Do you have any numbers on that?

**Hon Mr Wilson:** I just happen to have a few numbers on that.

*Interjection.*

**Hon Mr Wilson:** No, every one of our announcements. We've done a compilation here and it's available for all members. I know the opposition parties are doing a good job in their research departments of tallying these things.

We've tried to put a human face on these announcements. For example, the \$170 million for long-term care creates about 4,400 jobs for nurses and other front-line providers. That's important. But also, it helps to serve about 80,000 to 100,000 more seniors, or frankly people of all ages with disabilities who need long-term-care community services.

In addition, the community investment fund, which was announced by the previous government — but not \$1 had flowed and the projects hadn't been approved yet, the

\$23.5 million there provides community supports to about 6,000 people suffering with mental illness. These are new cases. This is new capacity being built into the system, above current delivery numbers.

The \$35 million for cardiac care, which isn't just surgeries but is on top of the \$8 million provided last year, should see about 11,700 more cardiac patients served in the province. Cancer care: It's close to 13,500 to 14,000 more patients with the dollars we've put into cancer patient care. The list goes on and on. Dialysis services: \$36 million so far invested since August 1995. I think that gets us close to the 600 mark of new dialysis patients. I know \$25 million represents 580 patients and \$36 million must represent well over 600 or 700 new patients.

Those are tangible benefits of restructuring. We're now able, because we've been in office long enough, to go back to communities where we made the announcement maybe 18 months ago, and the clinics are up and running today, or the new MRI machines are coming on line and you're now able to see them and patients; for example, out at Oakville-Trafalgar with a brand-new MRI there. They've been serving patients for a number of months.

**1630**

Transplants: About 80 more people will benefit in terms of transplants this year, which is a very expensive but necessary area. Our limitation there is not so much money as it is the availability of organs. I actually had a wonderful discussion this morning, briefly, on some of the research that's going on at the Roberts Research Institute in London, on where our organs may come from in the future. There may be other types of animals to provide those organs. I asked them if the controversy has died down on that. They said it hasn't but the fact of the matter is that we have such a shortage of organs in the province, we're going to have to venture beyond our current availability and try and do something else. Whether that's artificial organs or whether that's pig hearts or other things, the fact of the matter is there's a great deal of tremendous research being done there. A long answer.

Trauma patients: We've just injected some money into the system for about 200 more trauma patients to be served.

Every investment not only creates jobs, because approximately 80% of the money in health care — and this isn't OHIP money, by the way. The \$35 million for cardiac surgery isn't doctors' money; 80% of that goes to nurses to provide overtime. When we made the announcement up at the catheterization lab at Sunnybrook hospital about 12 weeks ago, the cardiac surgeons and the cardiologists stepped up to the microphone — it wasn't reported in the paper; I thought it should have been; it was the most astounding thing I've heard in 14 years — and said, "We don't have enough surgeons or trained OR cardiac nurses to catch up to \$35 million. We will have to work overtime every Saturday and Sunday," which to their credit they're doing.

Their challenge and our commitment is to get those waiting lists down to the lowest levels they've ever been by this time next year. The money is there. It's now a question of human resources, and frankly there was a dis-



cussion at the press conference, one doctor saying, "The biggest challenge is going to be to make sure we don't burn out over the next year meeting this challenge and getting the waiting list down, because there are only so many heart surgeons in the province."

Eighty percent of that money goes into human resources, and it's not OHIP money. The other part goes into the devices and we've also put — how much have we put into stents, into laboratory work? — it's hospital money anyway and hospital-based money, the \$35 million. Plus we announced — and I can't remember off the top of my head; you asked about announcements — cardiac stents, which if you ever get a chance to see them are these little wire cages. I'm sure many members have seen them. They were very expensive when they first came on the market. They were averaging about \$1,400 to \$1,700 apiece. They're now down to \$600 to \$700, about half of what they were. They're even lower than that now, apparently, mainly because some competition came into the system — there's more than one firm making them — and also the volume discount that hospitals are getting. That's not part of the latest \$35 million. We funded that at one time separately too.

**Mr Kennedy:** Minister, I want to bring you back a little bit to the overall perspective. There's \$165 million less being spent on health care; I think that's been established.

**Hon Mr Wilson:** No, it hasn't been established.

**Mr Kennedy:** Minister, it has been because you have not provided us either — I'll direct you now to page 71.

**Hon Mr Wilson:** You remind me of a reporter the other day who told me it was my opinion.

**Mr Kennedy:** I appreciate that but I've offered you the opportunity to produce different figures, and it's important for people to know that the key question here is that some sloppy accounting leads to some sloppy interpretations of what's going on in health care. There's \$165 million less being spent on operating in comparable dollars this year. Your ministry should be able to provide us with those comparable figures, and if for some reason you do not, then that has to stand unchallenged.

On page 71 there's a table that shows hospital spending. Your ministry has recklessly cut hospitals and they've done that in a very demonstrable way. You have, for example, on page 71 the column showing that you've cut \$693 million from hospitals for next year. At a minimum, you're looking at the kind of cuts that were talked about. You've tried to finesse and talk about 2.8%. The reality is that in 1997-98 hospitals are going to be getting \$6.69 billion — that's in column (a) of that page — and that's down from \$7.278 billion in 1994-95.

Minister, that is your responsibility: less money — a net of \$580 million — going to hospitals, net of everything you've been filling the air with in the last little while. All those expenditures that you're talking about still add up to a huge, mammoth, historic cut to hospitals.

I want you to tell us how you can believe that this somehow isn't affecting the care in hospitals. I want to give you a specific example to respond to in terms of what I think has been some of the mismanagement of hospitals. This year hospitals were given three different allocations by your ministry. They were given an alloca-

tion in February, another one on March 27, four days before the beginning of the fiscal year, and they were given an earlier one when you published a list.

The hospitals have been cut \$435 million, but originally, in the first allocation you made to hospitals in February this year, you cut hospitals \$453 million. Your predecessor was in office then, but the deputy should be aware of this issue. I'd like to ask you, why did your ministry provide three different allocations to hospitals? You gave them their original appendix A that said, "Here's how much money you've got." Your ministry issued a public list that was completely different; for each and every hospital a completely different list was issued. Then finally, after a lot of prodding and pressure, on March 27 you issued a corrected list which matched almost exactly the list my office published.

The point is you are cutting hospitals this year. That's why your health expenditures are down. They're down because you've cut hospitals by \$435 million for next year. It's a huge pressure on hospitals. If you look at the estimates, it suggests that the money flowing to them — you've declined the opportunity to clear up the accounting part — is \$693 million less in the hands of public hospitals next year. Don't you agree that cut is harmful, and secondly, will you explain why, even as those cuts are taking place, your ministry is unable to be secure to hospitals about how much money they're getting?

**Hon Mr Wilson:** What am I supposed to say to you? You have your own opinion. You're obviously not going to change it. I've already explained that the hospital reduction this year nets out. You can see it in the book on page 70 ahead of you; it's on every other page you referred to. It's rounded up to 3%; it's actually 2.8% on the more detailed pages.

We've been accused of a 6% cut. That adjusts for the one-time money last year too, the 2.8%. We've also separated out the restructuring money so there would be no fudging in terms of saying those are patient operating dollars; they're not. I think a review of the Hansards will show that we've more than answered everything. You have an opinion that you're obviously sticking to, and over the last hour I haven't been able to change it.

With respect to the three allocations last year — a very good question — the deputy will explain that, because two of those allocations were done in my absence.

**Ms Mottershead:** If you look at the record, my recollection and certainly my experience in the ministry is we've never, ever sent out one allocation to a hospital and only one. There have been interim allocations going on for a number of years. There are adjustments that get made, so they get an adjustment for that. The second announcement to hospitals included the growth funding. The final allocation, which was the all-up numbers as we knew them at the very end of the day when all the accounting and the budgeting was done, included all the reinvestments. Therefore, there are three announcements that went out to the individual hospitals.

I just want to point out that on an individual hospital basis there will be even more calculations and perhaps further adjustments that will be made in-year as well, as hospitals refine some of their volume-based numbers or give us more information around their restructuring. The



restructuring fund that's available to them now wasn't even mentioned in terms of the interim allocation or the final allocation, so there will be refinements made to the individual hospital allocations, Mr Kennedy. That's nothing new. I think those refinements have been going on for years.

**1640**

**Mr Kennedy:** Well, Deputy, my office had to speak because you refused to give us a list of the allocations, the corrected allocations or anything like that. We raised it, Minister, with your predecessor three times in the Legislature. Hospitals told us this is unprecedented for them to have such a wide variance. Every hospital received a 5% additional cut in their allocation than what should have happened, to add up to \$435 million. Unless it had been brought to public light, there is no suggestion on the part of hospital administrators that such a correction would take place of that magnitude. It was up to a \$1-million difference for individual hospitals; \$22 million in all.

I'm offering an opportunity here for an explanation, to build some confidence. The public needs to know that hospitals have been left in a state of confusion about how much money they would receive. Yes, there will be even more confusion this year because some will be restructured and some won't. Many of those hospitals still don't know what it means. We've checked with a number of them that are supposed to be restructured. They do not know when the negotiations will start with the ministry about how much they're getting paid. Layoff notices have been made and reserves have been dipped into.

Deputy and Minister, I'm sorry that at least the responsibility isn't acknowledged. I believe a serious error happened on the part of your ministry and I'm hoping you would acknowledge that, so we would know that in future it wouldn't recur.

**Ms Mottershead:** Mr Kennedy, we are conducting, through the JPPC, and through the OHA in terms of their educational programs, sessions with each hospital CEO, each hospital COO and finance departments, to go through the methodology that was developed with the JPPC and the subcommittees, to explain to hospital administrators and chief financial officers exactly how the methodology worked.

That is the methodology that was used in terms of the final allocations that were made. It involves not just one set of methodology but a number of methodologies. The methodology that looks at growth is different than the methodology that looks at the whole global funding of hospitals and all of their cases. The methodology we use in terms of dialysis and allocating the resource allocation intensity weight is different than the other two methodologies. Therefore, it does take a little bit of education of the chief financial officers and CEOs to let them know exactly how we arrived at those methodologies and the final allocations.

We have nothing to hide. We've agreed to do all of the forms with those people. I don't know for a fact if they've happened, but the intention was that they were to be launched in April and May and we'll find out if they did in fact occur.

**Mr Kennedy:** The fiscal year has been well under way. Those sessions started in May for a fiscal year that started April 1, and many people, including the restructuring hospitals, didn't even have their allocations until the end of the month. The hospital in Lambton, the one in Petrolia, wasn't even told how much money it could spend until after the end of April. It is chaos out there and it's unfortunate that we don't have a clearer explanation of how they can get three allocations. They get sessions to explain how those allocations were arrived at only in May of the year they're supposed to be spending the money.

Minister, I want to move on. It's unfortunate as well that there isn't any acknowledgement here. We want you to acknowledge, for the public interest, at least where the various directions of funding are going. For example, I'd like you to confirm for me that out of the \$1.3 billion promised in the budget for restructuring, what you explained earlier to the honourable Mrs Boyd is that only \$218 million of that will be spent in the next fiscal year, and that's what a cash basis of that shows. Is that correct?

**Hon Mr Wilson:** That will pay for restructuring that occurred in 1996-97, yes. You can't pay for something you don't have an invoice for.

**Mr Kennedy:** What it means, though, is that the corrections or the investments or whatever you wish to call them aren't taking place until far after the cuts have taken place. The cuts are certain; you're reinvestments are timed. In this case, I'm absolutely surprised that the practice still continues, that there's only \$218 million of offsetting expenditure that's going to take place in this fiscal year while we're going to have, by these figures, \$693 million less available to hospitals. It doesn't balance out and it leaves us with a great apprehension.

Minister, I'd like to again offer to you, if you have any other interpretation to put on it than that we find on page 71, we'd be happy to see it forward. You say I can't be persuaded, but I can be persuaded. If there's something different than \$693 million that is being cut between this year and next year at the hospitals I'd be happy to see that, and I leave that as a bit of a challenge for you.

I'd like to turn to the individual hospitals that you claim are so well served. Just for your hopeful follow-up, the difference between the actuals —

*Interjection.*

**Mr Kennedy:** Minister, it's not ghosts. It's very important money that hospitals are missing thanks to your decisions.

**Hon Mr Wilson:** They got more money. They got \$415 million, more money last year, because of the accounting change, than they were expecting. By the way, in their allocations, if I may answer that question, hospitals give us an operating plan. It's their best guess of what they're going to spend. We adjust their budgets throughout the year, as you'd expect. If they have sudden increases in volume, if they have found some efficiencies and want to reinvest in a particular area — for instance, if they decide that they would like to expand the cardiac program, or something, then yes, we do another allocation for that.

It's a very dynamic process. There aren't the old days of: "Here is your global budget, Hospital. Board, spend it whatever way you want." Our outcome measurements were non-existent, I'd say, prior to the mid-1980s in terms of what the taxpayers were getting. How come the population isn't as healthy as it should be, given that we spend more money than anybody else on health care? All of those things now, growth and aging and priority programs, all of that type of funding — Ms Mottershead is a member of the joint policy and planning committee, but if you don't believe us, maybe you'd like to have some CEO pick a hospital that's represented on there, have him in here before the committee and they can explain a very exciting and dynamic funding formula that was developed when we came to office. We didn't believe you should give hospital X an historic budget without actually asking them, for example: "Who are the people you're serving? Are we giving you enough money?"

**Mr Kennedy:** Minister, I'd really like to come back to the question. I did ask you about the figures. You're unwilling to address them.

**Hon Mr Wilson:** I've already addressed them several times.

**Mr Kennedy:** I would challenge you to try to provide us with any different interpretation than the fact that you've slashed hospitals almost \$700 million for next year. You've precipitated a crisis in a number of those hospitals and there are individual cases that have happened to people for which you are responsible.

There was no excitement on the part of the head of the OHA three months ago in front of the finance committee, or the head of the hospital restructuring commission who said it was stupid to cut hospitals first rather than leave it for the restructuring. There's no excitement on the part of the nurses who believe this is damaging health care.

I put to you, there was no excitement on the part of the medical staff at Civic Hospital in Peterborough when they alerted you in October of last year of conditions there that were going awry due to your cuts. They told you in October, and unfortunately they had to remind you again in February.

You have a report on the Peterborough hospital. We would like that report to be released to this committee so that we can see what has happened. You know the case of Mr Whitehill. You know he died in the hallway in that particular facility. I would like you to tell the Whitehill family and the people of Peterborough how the patient care which he received — which was a direct result of bed closures, which were a direct result of your cuts to hospitals — how you can still sit here as you did on June 3 and tell us patient care has not been affected.

**Hon Mr Wilson:** Okay. Let's back up. Let's do the Ontario Hospital Association. Let's do the first meetings I had with them, not only as critic for four and a half years, but in coming to office. Let's review David Martin, the president of the Ontario Hospital Association for most of the first period of time I was in office. David Martin said in his Canadian Club speech, in his Empire Club speech, in a whole pile of speeches that I am aware of, that I saw, that the government is setting fiscal targets to get rid of the waste and duplication. You're welcome to

ask him to come to the committee. He's a wonderful gentleman who said to me privately and he said it publicly many times: "Jim, you've got to set a target over three or four years or our hospitals won't restructure. We'll be doing what we've been doing for the last 20 years."

We set an 18% target. David MacKinnon now has come along and his argument in front of the finance committee was: "The first two years, fine. I think we can find that waste in the system, that duplication. But the third year is going to be difficult if it doesn't coincide with the savings found through actual, on-the-ground restructuring as guided by the commission."

That is the history of the targets that were set. They weren't set in isolation. They were set in cooperation. You should be giving credit to the hospital association. These are their members that are very directly affected and they're the one who have said — Dennis Timbrell said it many times when he was president: "We have to restructure. Could the politicians get with the game?" I recall a very famous speech one time, saying, "We're ready to restructure, but you politicians don't want to restructure."

The second thing is the Peterborough case. Obviously I can't talk about the individual case. All I can do is tell you there's completely another side of the story to this. I will tell you the story about Peterborough. That was on the CBC on the Thursday night, I believe, of the week before I came back, so I was at home watching the CBC. I happen to have been in that hospital a couple of times when I was in opposition. I happen to know they have a whole pile of empty rooms on the other side of that nursing station that the camera didn't show. I phoned the deputy on the Friday and I said, "Margaret, they must have lined those patients up in the hallway," which is exactly what we found out they did, "and called in the media." I've said this publicly —

**Mr Kennedy:** Minister, that's not true.

1650

**Hon Mr Wilson:** Excuse me, it is true. We have an investigator in there now whose report we'll talk about in a minute. I phoned Margaret and I said: "Phone the CEO of that hospital. They have a bunch of empty space on the other side of that nursing station. What in the world are patients doing in the hallway, 14 patients or 17 patients?" Lo and behold, calls were made on the Saturday and all the patients were put back in their rooms.

I'm telling you what I have said, as I am probably one of the most honest ministers you've ever met, to the hospital and what I have said many, many times publicly as an example there: The government has a responsibility on behalf of patient care, on behalf of taxpayers, not to put up with those antics.

As result, though, of that, I think a very cooperative mood has resulted. The hospital itself welcomed the investigator because they want to continue to serve patients in the best way they can. We have that report now. We're working on the recommendations and when it's appropriate, when the board has had a chance to respond, because the community board needs a chance to respond to the recommendations — there have already been changes in management there. I think there'll be



more as a result. There are some significant changes that hospital, as a result of the investigation, will have to put in place. We need to give them a period of time for their corporation to respond to those recommendations before I make those recommendations public.

**Mr Kennedy:** Minister, I am thunderstruck that you are unable to give us a better answer than that. The Whitehill family deserves to know the conditions under which he died. I can assure you I met with the hospital staff in Peterborough, and to accuse them of creating those conditions is absolutely irresponsible. You can't explain it away that way, and if you won't table the report, you're really giving us no other choice but to believe what has happened there, what has been well documented by the people in the local area.

There are other cases. There is a case of a woman in Queensway who spent seven days in the emergency hallway waiting for a bed — 93 years old. There are other hospitals whose patient care has suffered and has been attributed to your cuts.

We look at the case of Elizabeth Geroni, who waited 51 hours to have her wrist set — 51 hours for a one-hour procedure because of the rationing that you've forced to take place. We have Stephanie Amey, who is a master of nursing living in Kingston, whose mother received terrible care there because of some of the changes forced upon them by the cuts they've undertaken in order to meet your financial targets.

I think we need from you at least some level of acknowledgement. If you don't take responsibility for these events that are happening to patients around the province, then there is no confidence people can build that you will look after them. There is Susan Gosnell, who is also an RN. She had her sister stay in Hotel Dieu Grace in Windsor. Frank Bagatto, whom I know you've spoken to on a number of occasions, says he is responsible for the care that happened. He accepts a fair share of responsibility, but he's working in a framework of provincial policy, and that's your policy, Minister. When you tell us here today that those cuts are harmless, that they're coming out of administration, you're wrong. Not only are you wrong, you're denigrating the health care system because you're causing people to lose respect for it.

**Mrs Boyd:** I want to go back, if I can, Minister, to the doctors' settlement. I think it's important for us to talk about some of the issues you didn't raise. I really am quite curious: Without a clawback system — you have made very clear in this agreement you're not going to claw back any fees — how are you going to maintain the kind of cap on the amount you have set in your budget?

**Hon Mr Wilson:** I'll answer it this way and I won't be pressed into answering it any further, because we've agreed in the agreement in a legally binding way to discuss these matters with the OMA before any action would be taken. The Ontario Medical Association, on behalf of its members, knows what the ceiling is; they know it's only 1.5%. If we happen to have utilization above that, the only measure we've ruled out is the clawback, and again the previous government is the only government I've ever heard of that does a clawback after services are rendered. They're doing it I think now;

another NDP government in BC had about a 3% clawback. I'd have to be corrected on what it is today. But again, no other government that I'm aware of — the deputy may want to correct me on this — ever said, "Go and serve hundreds of patients and then, after all is said and done, at the end of the month we'll decide what we're going to pay you." It's very unfair to people trying to provide services and it was extremely damaging to the morale of the physicians in the province.

As a matter of policy, yes, and as a matter of this agreement we've said we won't do clawbacks. They weren't used as a utilization tool ever, to my knowledge, prior to your government coming to office, but all the utilization tools that have been used in the past are still available. I'm not going to list those because that may lead to speculation of some sort. The commitment is to have those discussions with the OMA and together we will monitor utilization, which is not new. I think that was in the 1992-93 agreement and we're continuing that also. I think it's a good commitment that the previous government did, which is to work together on utilization measures.

As you know, certainly in Bill 26, opposition critics and that said they didn't want the minister to micro-manage medicine, to go back to Mr Kennedy's comments. We don't admit patients — politicians don't do that — we don't discharge patients. We don't have hospitals today reporting cuts in patient care. They're all reporting impressively, many of them anyway, much higher levels of care and greater volumes, certainly.

The fact of the matter is that we want to know about individual cases. Every single case raised in the Legislature since I've been Minister of Health has been followed up, usually within an hour, and in no case that's ever been raised before the Legislature that I've had the opportunity to investigate personally did we ever find anyone at the other end of the case saying it was because of cutbacks.

The cases at Sick Kids — was it radiation or chemo? Chemo. When I phoned down to Sick Kids during question period, it turned out that the two nurses were sick that day. They had colds, that's why the chemo was cancelled. It had nothing to do with the fact that budgets were cancelled. Going off the top of my head, you name a case and we looked into it that day. We had another case of a child who supposedly was denied heart surgery at Sick Kids. I phoned Dr Goldbloom and he told me, "We have no record of this child ever being registered at Sick Children's, never been seen by a doctor at Sick Children's." This is the guy who's head of the cardiology department.

Unfortunately as Minister of Health you can never say an individual's name or an individual case, but I'd be happy to look into those cases you've mentioned. That's why we have the Public Hospitals Act. That's why we have the ability, on behalf of the people of Ontario, to work with those hospitals.

**Mr Kennedy:** On a point of order, Chair —

**Hon Mr Wilson:** If we find out there are corrective measures that the ministry should be taking, we would act on those too, not just punitive to the hospitals. With the operational reviews we have going on across the prov-

ince, many of them are going to work out in the hospitals' favour. Many of them are saying, "Look, your volume funding needs to be adjusted midyear as part of an operational review, a program review." Our goal is to serve patients and to work with the hospitals, and I think we're doing a very good job of that.

**Mrs Boyd:** A point of order.

**The Vice-Chair:** Mr Kennedy first.

**Mr Kennedy:** We don't wish to get into debate on a point of order. I want on record that we cannot get a phone call returned from the minister's office or from the deputy to deal with cases, to deal with briefings, to deal with anything. I think when it comes to something as serious as some of the — and I know of a case at Sick Kids that has not been attended to — cases where people have died, and cannot get appropriate response, it is extremely unfortunate to have the minister suggest otherwise. I take that as very problematic. We have not had one phone call returned from your office in the past three weeks, and the ministry will only refer us to your office.

Minister, I think you should retract some of that information you provided today because it is creating the wrong impression about how we deal with the problems in the system. There is not an openness there, and in fact it's extremely unfortunate. I don't wish to trifle with it because these cases are certainly, at the minimum, experienced as very serious events in people's lives.

1700

**Hon Mr Wilson:** Just one quick response, and very quick. If you're not satisfied with the customer service in my office, fine; our political staff is about a third the size of the previous government. There are case managers who are bureaucrats —

**Mr Kennedy:** They will not talk to us, Minister, on your staff's instructions.

**Hon Mr Wilson:** Case managers are there to deal with individual cases. If they feel you're being political or something, they'd refer it to our office.

**Mr Kennedy:** Not at all.

**Hon Mr Wilson:** If it's a straight case, then they —

**Mr Sean G. Conway (Renfrew North):** That is not true.

**Hon Mr Wilson:** — are not to refer it to our office.

**Mr Conway:** It's unprecedented. It's never been dealt with this way.

**Hon Mr Wilson:** It's not unprecedented. That's the way previous —

**Mr Conway:** It is. The department of health has had a good reputation —

**The Vice-Chair:** Mr Conway.

**Mr Conway:** — and on very few matters I call the ministry and get nowhere, and referring to the sinkhole of your office, I understand —

**Hon Mr Wilson:** Excuse me. I happen to know about your calls with Mary Catherine Lindberg, the assistant deputy minister, very directly. I happen to know exactly who you talk to. They're all bureaucrats. I could name them. They're all logged, so that's just blatantly untrue.

*Interjection.*

**The Vice-Chair:** Mr Conway, please, and Mr Minister. Your point of order is noted, Mr Kennedy. I think there

was a commitment made by the minister that he would follow up on every case that is presented. Obviously we have this time to ensure that happens. Ms Boyd, you had a point of order as well.

**Mrs Boyd:** Yes. My point of order was that the minister took up my time for my question, answering, and this time —

**The Vice-Chair:** No. I've noted the time already, Ms Boyd.

**Mrs Boyd:** That's good, because I think we need to be a little bit more orderly in our process here.

You began to answer my question, Minister, about how you intend to do this, and you have now made a very strange comment that you can't even list the possible ways in which utilization might be addressed because that might disturb your negotiations. We've been through a very lengthy period of time, as you mentioned yourself, while you were going through negotiations with the doctors, where every time we asked you about utilization in the system and what measures were going to be dealing with utilization within the system, every time we talked to you about primary care reform, your response was that it's under negotiation with the OMA and basically there are all sorts of things you can't talk about because they might give rise to speculation.

The reality is that if you don't have a hard cap and you don't have a clawback system, there are only a few ways in which you are going to be able to maintain the budget limit you yourself have set in terms of doctors' payments. The real tragedy of the way this fee-for-service works is that unless there is some disincentive for physicians to go through a rolling referral kind of situation, to see patients three times when twice might deal with the problem, or to see patients about issues the physician can't deal with, what we have is a utilization problem that may mean there is no incentive for physicians to work with patients towards health and every incentive to ensure that illness continues. I'm not the only one to say this. Very reputable physicians say that is the result of that kind of system.

You've got a problem that has been shared by all governments before you in terms of trying to deal with this problem of turning the system around as long as it depends on fee-for-service. I think what your agreement has done and the way you are negotiating with the physicians have resulted in the possibility that every other regulated health profession is likely to pay the price for the doctors, and the doctors remain in charge of the system with no incentives to improve the kinds of treatment patterns that have developed over many years.

We know that delisting of services is one of the issues that has to be considered. We know from optometrists, for example, from physiotherapists, from occupational therapists, from all of that group of regulated health professions that their very real concern is that the doctors are going to end up getting paid and they are not. There has been a very strong recommendation from the physicians that we know of to cut out the yearly eye test that's charged to OHIP by optometrists — that's an example of a delisting — even though we know those eye tests have two functions, and the largest of those functions is a preventive medical function which if not



performed can take you into, far into the future, real difficulty.

I'd like you to help me understand how you think that by negotiating with the physicians, who have every incentive to download their utilization responsibility on to those other health professions, you intend to block that, you intend to make sure that's not the case.

**Hon Mr Wilson:** I'd remind you that a very important ingredient in the negotiations, in the deal is the caps, which are lower than your government's were. Individually, doctors will bill lower than the potential they had under your agreement. That is firm. Unless they're in a remote area or in a certain specialty, where they apply for an exemption, it's \$380,000 for a specialist and \$300,000 for general practitioners and family medicine. It was, as per the previous government's signed, sealed and delivered agreement, \$400,000 for everyone. We actually have the potential to have greater control on utilization, certainly within individual physician practices.

I just want to correct one thing too, Mrs Boyd. I'm sorry if this is the impression out there, but primary care reform is not exclusively under negotiations with the OMA. I've never said that. We have answered every question on primary care reform. I am somewhat frustrated that we haven't got the pilot projects up and running. I've said very honestly that the funding formulas and negotiations there with the various towns that have expressed interest are far more complicated than I had anticipated; and perhaps I shouldn't have off the cuff — as happens to politicians — a few months ago, prior to Christmas, said that we hoped to have it up and running by Christmas. That has been what's playing out there. You are allowed to make mistakes once in a while, and that was clearly an underestimation of how much we could proceed.

The OMA's task force, led by Dr Wendy Graham, is just one element. As you know, there are a myriad of proposals out there, including nurses', to deal with primary care reform. We're reviewing all those.

The agreement doesn't limit us from entering into more alternative payment programs, to go off fee for service. There are no limitations in the agreement there. In fact, with the announcement of the globally funded group practices added to the menu of about five different things that now all come under the umbrella of alternative payment plans, or APPs, we're trying to put greater incentives out there for physicians to move off fee for service.

One reason I think people have the impression that optometrists and chiropractors, for example, are going to pay for the doctors' deal is — well, they don't have that impression, actually; interest groups seem to have that impression, outside of themselves. We've taken the clawback off the chiropractors and optometrists, and we are currently in negotiations with those groups that receive some money from OHIP. They're not paying for the doctors' deal. They're getting very fair treatment along the lines of removing the clawback. You had clawbacks on all the professions that had anything to do with OHIP. That has done more to hurt morale out there in these professions than anything else.

There was never a discussion by anyone I'm aware of in the ministry or in the working group of experts that has been set up about getting rid of the yearly eye test. The discussion is exactly the same discussion your government brought to cabinet during your time in office, and that was to limit, for certain categories, the eye test to once a year. Many medical experts — again, they will make the final recommendations — are saying you don't need more than once eye test a year. We have to ask ourselves, in terms of utilization, why people, at \$39 a crack, are going to their eye doctor more often than once a year. I've only been to the eye doctor once in my life. A normal, healthy person up until — I'm not a doctor, so I won't say — a certain age when your eyes start to naturally deteriorate probably never has to go to the eye doctor. Other people seem to go a little more often than perhaps they need to.

**1710**

The one control measure I will mention that I know you would agree with, because your government set up the Institute for Clinical Evaluative Sciences as part of the 1992-93 agreement with Dr David Naylor, who's just a fabulous individual whom we all have a great deal of respect for, is we're putting more money and more emphasis on clinical practice guidelines. He's done two atlases now that tell us the variations in surgeries and procedures and why Caesareans are done so frequently in London versus Sudbury, trying to get guidelines across that are agreed upon by the medical profession, and indeed set by their experts and the scientists, as to what is appropriate, so we don't have that treadmill, that at some point OHIP may not pay for the third eye exam, because unless you can prove it was medically necessary, what were you doing telling the patient to come back the third time in three months, for example?

That's the sort of thing we would like to do with cooperation, and every government's talked about it. I think you'll see more progress in this term and the next term than we've seen in a number of years, because we've gone past the buzzword stage about clinical practice guidelines and have the professions, including the OMA, I think sincerely interested in moving forward in this area. They realize there's only a limited amount of money taxpayers can afford to pay for health care. It's in their interests now in this day and age to make sure that money is used appropriately. That's what clinical practice guidelines do for the system, and we're putting more emphasis on them.

**Mrs Boyd:** I'm sure you're going to see a lot of that, because now you've got the data. The problem before always was that we didn't have the data. Yes, we did set that up so that instead of floundering around and making guesses about how we could change utilization, we actually would have something to base that on. That is very important.

I'm not quite clear how that fits with the kind of statistical and mathematical formulae that are included in the restructuring commission's reports. I have some concern around how the restructuring commission's formulae fit with some of what we've learned recently. I'll give you an example: In the mental health field we did all agree 10 years ago, all of us, all parts of the

system, with the exception of the Ontario psychiatric institutions, the staff there, that 30 beds per 100,000 was a reasonable number. We based that on moves that had been made in other jurisdictions like Great Britain, like New Zealand, like some of the United States. We all thought we had the right formula.

It has since transpired of course in those other jurisdictions that started long before that report that many years ago that this has not proven to be an acceptable level, that 50 to 55 beds, depending on the jurisdiction, is a much more appropriate level. They looked at the broader socioeconomic impacts of having people released at 30 beds per 100,000. But we have the restructuring commission clinging to that old number of 30 beds per 100,000, and that's a problem for us. We're perpetuating an error that we made in all good faith — and all supported it — that we now know because of the experience in other jurisdictions was not the best error, and it was done because the study was done. Over time it proved that was too low a figure and it had to float upwards. Yet we're going to perpetuate that mistake with the work that's being done here in Ontario; the restructuring commission is clinging on to that number.

I would ask you about the same thing around surgical beds, surgical procedures. I worry that there are too many surgical procedures in some areas — the studies have clearly shown that — but it is not clear to me that when the restructuring commission makes its recommendations around hospital restructuring, it's basing its decisions on the actuality in that area or on the ideal that is produced out of the studies that have been done at the centre.

I'd like you to discuss that a little bit, because I worry when we're in such a massive restructuring that we've got pieces of information but they're not being brought together in the most effective way. We could make terrible mistakes if the restructuring commission is using assumptions about the number of surgical procedures. If the number of surgical procedures in that region has traditionally been much lower than anywhere else and should be higher — and that may be because of lack of physicians; who knows — then the assumptions may prove wrong over time and it'll destroy the whole restructuring process. Can you help me with that?

**Hon Mr Wilson:** If you don't mind, I'm going to ask the deputy to comment on the mental health beds, because in her letter to the commission, which is the government's response to the commission during the 30-day period, we have the same concern. The 30 beds: We're not sure we're at 55, but it looks more like a range of 37 to 40 may be more appropriate than when those studies were done by previous governments; and frankly, by the same experts out in the field, so there's nothing political there.

**Mrs Boyd:** They just learned something different.

**Hon Mr Wilson:** I'll ask Ms Mottershead to get into the details, but generally we've expressed some concern down in your area that they be careful and that we not ask people in the system, providers, to do anything that's going beyond what's reasonable or going beyond what other jurisdictions are doing, because other jurisdictions have already restructured. With that, I think it would be

appropriate if Margaret said a few words about the mental health situation.

**Ms Mottershead:** We did look at receiving the best advice possible from experts at the time we were putting together that document, Putting People First. You're absolutely right; they told us we should have a ratio of 30 beds and we should totally flip our funding from institutions to community — more community and less institutions.

We've had some second thoughts on that, from the experiences you've indicated, and we've done two things. One, through the JPPC, is to initiate another research project that actually looks at what kind of beds, what level of care is needed in those beds — because they vary from rehabilitation to psychogeriatric, to a number of clinical, forensic and so on — and what kind of care, how intensive is the care and should it belong in a particular setting. That information is going to be really quite important. ICES is also looking at research in terms of best practices.

Independent of those two research activities, we've also gone out to a number of very progressive states in the United States that are looking at a different kind of care. Michigan, for example, has a wraparound program where they have a clinical team. You don't have to be in the hospital. You have a psychiatrist, a psychiatric nurse, a social worker, other players, including chaplains, for example, who actually as a group work together to maintain that person in good mental health in the community. It doesn't have to happen in a hospital setting.

When you look at those models, you have to ask the question, is the bed target number appropriate? It all depends on what the needs of the community are, and you shouldn't have one number across the province as a benchmark for every part and every region of the province. Therefore, in our response to the commission I've certainly indicated that it should be a little bit more cognizant of the kind of planning that's required, knowing the population, and one of the issues I was most concerned about was the lack of emphasis on the outpatient population. That is by far the largest group of patients we look after.

1720

**Mr Wayne Wettlaufer (Kitchener):** Minister, as you know, I come from an area where health care is first and foremost in everybody's mind. Long-term care is one of the major issues. Last Friday I met with two people from the health care industry, and they verified what I have been learning in my discussions with seniors in my area.

Mr Kennedy was recently in my riding. He has this mantra that the sky is falling because costs are being cut from hospitals. He's making the seniors in my area very concerned that they won't get the necessary care they may need down the road. I've been trying to deliver the message that there will be long-term-care institutions. But many of these people want to be cared for at home; more and more of them want to be cared for at home.

I see that you have built in an increase in the budget of roughly \$177 million in long-term care. One of the things I've been asked for is what our government's philosophy is on long-term care. I point to the fact that we have increased the amount of money we are going to



be spending this year, but the seniors are looking at the cost of drugs etc. I was wondering if you could fill me in on the philosophy on long-term care.

**Hon Mr Wilson:** I appreciate it. This government really can't take any great credit for the philosophy, because the philosophy has been out there for many years and lots of politicians of all stripes have talked about it. Where we can take some credit is for actually flowing the dollars now to the community agencies that provide care.

I can recall that in opposition — this goes back to Elinor Caplan's time as minister — there were lots of chats about the \$170 million; actually, at one time it was far more than that. To the credit of the NDP, they did start the investments. They were about \$170 million short of what they had announced. Every time in the House, the politics that confuse people is that different parties try to take credit for the same announcement. Where I make the distinction is that it's great to announce things — they announced \$3 billion worth of sod turnings in hospitals over the last 10 years — but they didn't flow the money. We've had to correct all of that on the capital side and actually send out "no" letters, which nobody would send out for the last 10 years. There are members who still haven't forgiven me for that. I guess that's part of the job, but we want to be honest with people.

Of the \$170 million, I think you'll see in the books that about \$130 million or so has flowed since we've come to office. That was talked about a lot. I'm happy to report that across the province, and I think we can say this with a high degree of confidence, certainly in your area — by the way, congratulations today to St Mary's hospital for opening up new services there and paying for it out of the foundation and not out of Queen's Park's taxpayers' money; a tremendous day for St Mary's hospital.

We don't have waiting lists in the province that we're aware of. We check every month with our long-term-care area offices for in-home nursing. Anyone who needs in-home nursing is getting that as per the community investments. These are the long-term-care services that help people stay at home. We've made a tremendous expansion, building on the volunteer base throughout the province, with the friendly visiting program, transportation programs, Meals on Wheels. That's all been part of the \$170 million.

Where we have some waiting lists right now, though, is in occupational therapy and physiotherapy. Those come to mind. It is not that there isn't the money there, that governments aren't spending the money; it is that we have a shortage of occupational therapists and physiotherapists, so I encourage young people to go into those professions. For those in-home services we just don't have enough therapists around the province, and they're certainly not spread evenly around the province. There are some areas where the waiting lists are quite long.

On the in-home care side, we're flowing the dollars. I suppose where people get concerned is the criticism that we're not doing enough on the prevention side versus flowing money on the illness side. What I said two weeks ago to the Ontario Nurses' Association, for example, is, "There is a real Mrs Jones at the other end of every one of these announcements," and no one could just deny

services for a time and switch the whole system overnight to a preventive system. It's always a balancing act to make sure that we're trying to keep the population from getting sick, but also providing those services.

I'm very proud of our record. Services are being provided. We're not doing it alone and we're doing it in isolation any more. It's now not just the VON and the Red Cross and the 1,200 agencies. In many of our communities, they're working together. Many of them now are housed in hospital buildings where they have their offices so they're able to work together. Over the last five or six years, the trend has been that hospitals are actually sending teams of nurses out. Mount Sinai has a very good program where a nurse is sent home with you, upon discharge, after having your baby. When I mentioned that in remarks with the hospital association a few days ago, I had a number of CEOs come up from region 3, Metro, each of them saying, "We have a similar program now in our hospitals." When people are discharged, whether it be a senior or whomever, it's not necessarily any more just that you phone home care through our community care access centres, which is one-stop shopping, one phone number, but also hospitals themselves are going beyond their own bricks and mortar and providing more and more of those in-home services and therapies.

I think we can assure the seniors of the province that they'll get the services when they need them and they'll get them like nowhere else on the face of the earth. We're very fortunate that we have a province that has the revenues. We've set priorities, the number one priority being health care, and we've been willing to make sacrifices in government in many other areas and put all that money and more into the health care budget, in spite of the federal government's cuts.

**Mr Bill Vankoughnet (Frontenac-Addington):** Minister, to follow up on the same concern Mr Wettlaufer just mentioned about our aging population, coming from the area I do in eastern Ontario, with an above-average population of aging people, having recently visited a nursing home, I know they are very appreciative of recent investments that have gone into one particular nursing home to help them with their capital costs. This facility now is being used partly to alleviate the problem of people in these remote areas spending less time in the hospitals. For example, one gentleman I know has had knee surgery and he's in that facility now taking therapy, and that cost should be much less than it would be otherwise, in the hospital. I certainly want to commend the ministry on this type of move in reinvesting and getting better use of public funds for the public in general.

My concern, from talking to the front-line caregivers in this particular facility, is that the hours are being cut, and as you know, there are sometimes people with bed care disabilities and so on who need lifting. It's very difficult. I would like you to expand on what your ministry is doing in this area and how its going to handle this.

Another concern, coming from small-town rural Ontario, is that I would like to ask you about your health policy on restructuring small hospitals in these rural areas, if you could comment on that.

**Hon Mr Wilson:** I appreciate the opportunity, and I will try to be brief. Just a note to take back home to the nursing homes and long-term care facilities: We're very much aware of and are working with both the non-profit association, OANHSS, the Ontario Association of Non-Profit Homes and Services for Seniors, and also the Ontario Nursing Home Association. We've made a commitment to them that in the next few weeks we will make an announcement with respect to an investment in the 57,000 beds we have now. We've gone through the social contract, and it has been about four years since any additional dollars have gone in.

**1730**

What we did on coming into office was to implement legislation on long-term-care facilities that had been passed by the previous government and bring in levels-of-care funding, so you have seen a redistribution of dollars within the almost 500 homes we have in the province based on the actual care the residents need.

That's a very fair system, and it's going to vary each year. We've had articles in my local paper. We have to watch for where a home may be funded at one level one year and the next year dip a little or actually go up a little because a team of nurses from the home down the street or from another town assess the residents of a home that isn't the one they work in; so another team comes in and fills out a classification system of A to G of the Alberta classification system — or it was called that originally — and we fund according to the actual needs. During the year, the home at any time may notify us that so-and-so died and someone with a higher level of care or a lower level of care came in, and their funding is adjusted in a very fluid way on an ongoing basis.

But we are going to make an investment in — the average is about \$95 a day now, so you're talking about lower-cost care. That's quite true. We need to make a reinvestment in that and we're going to do that very shortly, as we need to add some more beds to the system.

I was out in Georgetown. The Halton area is the most severely underbedded area in the province, and Metropolitan Toronto is a close second, in terms of needing more beds. There haven't been new beds added in the province in the last 10 years. We've added some in the past few months, just a couple of hundred or fewer than that, but we need to add more.

With respect to rural health care, the story there is very simple. I think we were all the meeting. Each of the caucuses was invited to have a generic briefing with the Health Services Restructuring Commission. When they appeared in front of our caucus, they informed us that the no government ever had a rural health care policy. Rather than do nothing, we immediately asked a group of experts to come together, and they're wonderful people, physicians and nurses, a representative from ROMA, the Rural Ontario Municipal Association, a whole pile of groups; they came together and started to put together a rural health care policy to try and recognize the weather conditions and the driving distances and to get away from the strict data-driven benchmarks that were set for these multihospital towns, towns or cities with more than one hospital.

We are just about finished that process, and I think I will be able to send out very soon the policy framework to the district health councils. Anywhere where there is a district health council study going on now, we will ask them to take their studies and to apply the new rural health policy to it. In general, it will recognize the driving distances. It doesn't exempt anyone from restructuring, so I would hate anyone out there to oversell this thing. In Grey-Bruce, it's still going to require a sharing of resources among hospitals. We are saying that in rural Ontario we will guarantee 24-hour access to care, but some of those hospitals will still have to reinvent themselves. We're going to encourage common governance where possible. When you have Grey-Bruce, for example, with 10 hospitals, do you need CEOs, do you need 10 boards, do you need 10 of everything?

We're going to encourage and use both incentives and financial levers, frankly, to try and squeeze every dollar out of the administration, the duplication and the waste, and actually ask our hospitals in rural Ontario — many of them are already doing it, so it won't be anything new for many of our hospitals, but some have resisted change. Some have not formed a network. We've actually had hospitals in the province somehow exempt themselves from DHC studies. They've totally pulled out of studies and hired their own consultants, which is a waste of taxpayers' money, frankly.

We need everyone pulling on the oars in the same direction. They will be encouraged to form networks and to give an ironclad guarantee to their constituents that they serve as a public entity that there's 24-hour access and no more confusion in our small towns and villages of where you go for care. Is hospital emergency room X open?

There was a case in Durham when I had been on the job four days as health minister where the lady died in the parking lot because it hadn't been widely enough publicized — that's what the coroner's report said — that even though the blue H is still on the building, the hospital emergency room was closed, as were 69 emergency rooms when we came to office. They were either just closing or on the verge of closing. The Graham Scott report and the \$70-an-hour sessional fee reopened, or kept open, those 69 emergency rooms in rural Ontario.

The idea in terms of rural health care policy is, over the next few years, to make sure everybody who lives in rural Ontario knows where their first line of access to care is and what you can expect with the hospital in that town. There'll be very clear guidelines on what that H means in that town. Other provinces have moved to different levels of hospitals; they have different colour Hs on their highways.

We're having that discussion with the Ministry of Transportation now. Is it fair today to follow a blue H, when you're in cottage country, and you get there and the emergency room has been closed for years? That is not good for anybody, certainly not good health care. When I travel to New Brunswick and other provinces they've got red Hs and they have other Hs that say "No emergency or urgent care" or whatever.

We need to clear that up, because it's time we caught up with some of the changes already happening in rural



Ontario. In this province less than 10% of our money is tied up in these rural hospitals, in these single-hospital towns, so we can afford to keep them open, but it has to be very clear what their role is. They can't all continue the way they've been continuing for a number of years, trying to be everything to everyone in their community. They're not all going to be full-service centres, and we've got to stop fooling the public that that blue H in every town means a full-service centre. We have requests now for cardiac labs out in the middle of nowhere where they'll never get the cardiac surgeon to go with the lab, or the cardiologist.

We have to have centres of excellence. We have to keep our world-class teams together. They're not going to exist in every town but they are going to exist as part of a network. Those rural hospitals will have to have in place not only the computerized networks and linkages with a base hospital, but everyone who lives in that area or cottages in that area needs to know what those arrangements are and what they can expect. Really, that's what we're trying to do, clarify the roles of these hospitals in our small towns and villages.

**Mr Kennedy:** Minister, did I just hear you say that small rural hospitals, single-town hospitals, will not have to close?

**Hon Mr Wilson:** I as minister have never talked about closure of a hospital in rural Ontario. That has never come from my lips. It has never been suggested by this government. It has come from DHC studies, each doing their own thing. God love them, they were sent out to study their areas and they aren't given any guidelines.

**Mr Kennedy:** Minister, it was also in a hospital restructuring commission report study for Lambton, this follow-up report, the final direction, in which I believe you intervened and stopped, or at least gave indication to the commission that there would be a rural policy. Are you announcing today what that rural policy is?

**Hon Mr Wilson:** No. I'm sharing with you what stage we're at. I was asked to shed some light on what we're doing. There's no secret. You could ask any of the experts who are working on it. Why would it be a secret?

**Mr Kennedy:** What I would like to ask you is, will there also be a policy for mid-sized urban centres like Kitchener-Waterloo? St Mary's was recommended in the early report to be closed. Will there be policies for women's health? Will there be policies for urban centres? Will you be providing those things so that the commission doesn't operate in a social, economic and cultural vacuum when it tries to look at the opening and closing of hospitals? Will you commit to do that?

**Hon Mr Wilson:** Yes, and that commission has all that. The only fault in the system that the commission felt it needed help with was rural Ontario. There are well-established benchmarks for the urban centres and the teaching hospitals, well established across Canada and in Britain and in Australia, which is what the commission is drawing on.

**Mr Kennedy:** Minister, will you be issuing Ontario policies for the kinds of health care which you say now you're prepared to ensure for hospitals in small rural communities? Will you also issue policies that will meet the particular needs that have been identified, for

example, for large urban areas, for middle-sized urban areas, for 905 types of areas with high growth? Will there be policies that will guide the commission forthcoming from your ministry or through some cooperative means that you've described as being under way for small rural hospitals?

**Hon Mr Wilson:** Those policies already exist.  
1740

**Mr Kennedy:** Could you provide this committee with copies of those policies?

**Hon Mr Wilson:** Yes. The commission can explain —

**Mr Kennedy:** Could we have copies of those before the next time we have an opportunity to discuss with you? Is that possible? If they exist —

**Hon Mr Wilson:** The commission has not identified any policy void other than rural Ontario. It would be appropriate, given that the restructuring is being done by the commission, for them to provide that information to this committee. I think the Chair should ask them to provide that information.

**Mr Kennedy:** Those policies exist as far as you're concerned?

**Hon Mr Wilson:** Yes.

**Mr Kennedy:** Okay. I want to return you to the cuts to hospitals, which are acknowledged on page 71 to be in the amount of \$435 million, if you look at the top of the page. You agree that those are the cuts which took place to hospitals this year in their base allocations?

**Hon Mr Wilson:** Which?

**Mr Kennedy:** Sorry. Right at the top of the page, the second figure in the column.

**Hon Mr Wilson:** The \$435 million?

**Mr Kennedy:** Yes.

**Hon Mr Wilson:** It's not the net figure, no.

**Mr Kennedy:** It is the cut to the base allocation of hospitals. Is that correct?

**Hon Mr Wilson:** No.

**Mr Kennedy:** I have a list here that shows hospital by hospital a cut in base allocation adding up to \$435 million, base allocation before growth.

**Hon Mr Wilson:** You're going to go out and say that's what they were cut. That would reflect the 6%. It's 2.8% net. If you want to argue one figure on one page, fine; it's not \$435 million.

**Mr Kennedy:** We will argue the other figures. I'll give you a chance to do that. I just want to confirm.

**Hon Mr Wilson:** The net effect of all the investments is about half that.

**Mr Kennedy:** But you've cut base funding for the base services of hospitals by this amount. Is that correct?

**Hon Mr Wilson:** Not necessarily.

**Mr Kennedy:** It's here in black and white that \$435 million has been cut. I have a list of 200 hospitals that add up to \$435 million.

**Hon Mr Wilson:** Do you have a list of all of the reinvestments and the money they were given back?

**Mr Kennedy:** I have that as well, yes.

**Hon Mr Wilson:** In the priority programs? Well, then, it doesn't add up to \$435 million, does it? It adds up to about half that.

**Mr Kennedy:** But your cuts to hospitals have been significant in this past year. There is no suggestion on

your part that you have reinvested all the money you've cut to hospitals. Is that correct?

**Hon Mr Wilson:** No. I'm saying about half has gone back into hospitals, but more than that, about twice as much, has gone back into the whole system.

**Mr Kennedy:** I would put to you that you have a deficit of at least \$115 million to \$165 million this year that you have not reinvested. We'll establish that at a later date. But I want to establish, for the cuts to hospitals that have taken place this year —

**Hon Mr Wilson:** I wish that were true. I wish I did have that kind of money sitting around. I can tell you we don't.

**Mr Kennedy:** I'd be happy to spend some time with you outside this meeting and show you where it's coming from, because it's certainly there.

**Hon Mr Wilson:** No, you do it here. I'm finding this very fascinating.

**Mr Kennedy:** I would wish for you to be familiar with that.

**Hon Mr Wilson:** I'm pretty familiar with the books of the ministry, thank you.

**Mr Kennedy:** Well, I won't comment in a general way except that these cuts to hospitals were taken by you. You attributed them earlier to the OHA, one an 18% cut. They get a little rankled, as they should, when it's suggested that was their idea.

You have suggested that these cuts have not harmed patient care. You recognize and you refer to Ms Mottershead's membership on the joint policy and planning committee. Earlier this year that committee produced a study, and that study showed that the cuts could not be done without hurting patient care.

I submit that you had a report that showed last year's cuts had a deficiency of \$136 million that could only come from patient care, and that deficiency this year is going to rise to \$288 million that can only come from patient care. This is a product of your joint study, you and the ministry and the Ontario Hospital Association. Are you aware of this report, and did you go ahead with those cuts to hospitals notwithstanding that report which was available to you in January of this year?

**Hon Mr Wilson:** First of all, I don't have any such report. Second, what we received from the JPPC, the advice it gave to the government was the same as what David MacKinnon as president of the Ontario Hospital Association was saying, that is, the third year would be very difficult if it didn't coincide with actual on-the-ground restructuring, and we've responded to that.

**Mr Kennedy:** I would like you to respond to, in the report they indicate very clearly that —

**Hon Mr Wilson:** I don't have the report, so if you want to table it I'd be happy to respond to it.

**Mr Kennedy:** I have a summary of the report. I would like to ask you to table the full report here and any reports the JPPC has done around hospital funding cuts, because I would like to ask you, do you have documented proof, have any studies been done to show that the cuts you're making to hospitals are not harming patient care?

I'll use the language of the JPPC. They say that even with the most aggressive formulas — and that means theoretical formulas that may not work in the real world,

when I spoke to one of the people involved in that — you cannot secure the savings in the time line you're talking about. In their report the extract I have shows clearly it's not just about year three. In year one, if I may, \$136 million is a shortfall that you can't get unless it comes out of patient care. By year two, that grows to \$288 million.

Will you agree with those figures and explain why, if they're true, you went ahead, or will you table any studies you've done, your ministry in conjunction with JPPC, with anybody, to protect the interests of patients in Ontario that would demonstrate that those cuts aren't hurting patients in this province? Will you do that?

**Hon Mr Wilson:** Every hospital in this province by law must fully protect patient care. They are not allowed to cut patient care. If you're saying some hospital did that, then you had better take immunity.

**Mr Kennedy:** Just to be clear, I am saying something much more serious. I am saying that your panel of experts produced a study, and I'd like you to answer the question: Will you table the study here? Are you familiar with its findings, but if not, will you at least table the study here, and if that study shows that your experts said you can't do these cuts without hurting patients, how do you explain yourself? First of all, will you table the study here?

**Hon Mr Wilson:** No, because I don't have such a study. There was never a study submitted to me, my office, the ministry, that outlines that. Second, every hospital has a quality assurance committee. They are obligated to monitor quality. Everything's not written by dollars. It is possible to do better with the same amount of money. It's even possible to do better with less. Hospitals are proving your theory is wrong every day as they get rid of the waste and duplication. Nurses said in their ads in the newspapers that there's 30% waste in hospitals, and I keep arguing with them that it's not 30% waste —

**Mr Kennedy:** I just ask you to respond to my question, Minister. If you're saying there's no such thing, I have in my hand a copy of a study —

**The Vice-Chair:** Just a second. Would you please allow the minister to finish his sentence.

**Mr Kennedy:** Yes, Mr Chair, but I asked a rather succinct question about the study and I would like to be able to follow that up.

**The Vice-Chair:** Allow him to finish the answer and then you can go back to the question.

**Hon Mr Wilson:** I gave you the answer about the study.

**Mr Kennedy:** I appreciate that; I do.

**Hon Mr Wilson:** There's no study I've seen and which I based a decision on. People produce all kinds of things all the time. To say that's a study that went to me and it was validated by some other group — I don't know what you're talking about, first of all.

Second, I remind you that every hospital has a quality assurance committee as part of its corporate structure — and nurses sit on these committees, and their association reminds us that we have to ensure that nurses have the time to attend the meetings and to properly participate, and we want to continue to work with them on that.



These committees are there to check to make sure of the outcomes, make sure the patients are served according to the guidelines and the quality standards that are set by the province. I'm not aware of any of those committees reporting to us that the quality of patient care has suffered.

**Mr Kennedy:** So you're saying this study cannot be tabled. I have a copy of a letter here which I've previously tabled. I'm surprised you're unaware of it. It's dated January 10, 1997, it's addressed to Ms Mottershead and Mr Muir and it talks about a study that is being tabled that shows the impact. I have a summary of the discoveries and conclusions. In that there is a table. The table demonstrates the estimated savings from all strategies and it shows in every case significant shortfalls.

Minister, I wish we could at least agree this study existed and I ask for your cooperation, and perhaps Ms Mottershead's, in tabling such a study so that we in this committee can understand how the cuts you've engineered to hospitals are or are not hurting patients. If this study does indeed exist, it would be useful for us to be able to have it.

1750

**Hon Mr Wilson:** I've not seen the study you're referring to. The JPPC produces myriad reports and has all kinds of committees. When they're prepared to present me with a study, they don't do it in a clandestine way —

**Mr Kennedy:** No, it's here.

**Hon Mr Wilson:** There is a meeting that is held and we have it. I don't have that letter. Ms Mottershead is free to speak about this. She's on the JPPC.

**Ms Mottershead:** The report you referred to was commissioned by the JPPC through an independent confidential group of people to have a look at what-if situations. Clearly they were mandated to do that. I believe you're referring to the Jeff Lozon letter. He was the chair of that subcommittee. They did the report and presented it to the JPPC senior committee. We looked at it and the report included that cover letter, which was never officially transmitted to either Bob Muir or myself.

When we looked at the report, we looked at the data and we looked at the way they had approached the study, we did have serious concerns. One of the examples I will give you is the fact that this particular study clearly did not look at the issues of reinvestments, did not look at the subcategorizations of acute services. There were some serious flaws, and we asked the committee to go back and have a look at addressing the flaws we had identified. The report has never come back. We've never accepted it because it had flaws. We asked for more work to be done and —

**Mr Kennedy:** Ms Mottershead, the letter of conveyance talks about a final report of the committee. I have to accept your word on this. It is startling in the extreme that you would not have by this time — November 1995 is when you began to cut hospitals by \$1.3 billion — studied the matter in some fashion that could give us assurance here today. It is very startling to believe that your ministry has no studies they could provide to this committee on that score. I just want to confirm that's the case.

**Hon Mr Wilson:** Because the approach we took was a very reasonable approach, we didn't cast in stone the \$1.3 billion; in fact nothing could be further from the truth. Yes, an announcement was made. At the same time that announcement was made, no one would be asked to do the impossible: "You're not allowed to affect patient services and our door is open all the way along through this process."

We hear there's duplication and waste in the system. The nurses and doctors have been telling us about that for years. Are you suggesting we should have just kept the status quo and done nothing? The reason you didn't have to do a study ahead of time is we're working in cooperation with the hospitals, one by one by one, reviewing their operating plans. We're listening very carefully to their daily needs and we are working with them to get rid of the duplication, which is very difficult for them to do too, and the excessive administration, and take that money and put it back in. On a daily basis, I can assure you, we're studying the hospital system.

**Mr Kennedy:** Minister, again, my disappointment is profound in that studies that have been done, partial and complete — there's a letter of conveyance — can't be portrayed. But it strikes me as passing strange that you have cut exactly the amount of money you said you would two years ago. There has been no change. You say you're listening to hospitals. You still cut this year \$435 million. The reinvestments don't make up for that. The money you put back does not make up for that.

The amount of money being cut next year, depending on whether — I guess we've agreed now it's an accounting change of \$450 million but it's still a mammoth amount of money, hundreds of millions of dollars less than the estimates show will be going towards hospitals, and we have no protection to be able to say whether patients will be harmed.

Minister, I'd like you to respond to some of the concerns that have been raised by individuals in this province here today in terms of how you explain — particularly in the case of registered nurses. You say you're listening, but when Susan Gosnell sent a letter to Mr Bagatto in Windsor, in a case I've already mentioned — her sister received care that was substandard — Mr Bagatto, in some careful language, agreed that had to do with the restructuring, the cutbacks, the restraint that's occurring in this province.

Quite frankly, it's not my position to give you overarching advice, but I think things would be more credible if you agree there were some problems and you had some mechanism in place to deal with those problems that are taking place because of your cutbacks.

I wonder if you could tell me how, when you've cut some \$21 million from Mr Bagatto's hospital, and you've done that, you can explain they're able to do that from administration efficiency when I have right in front of me a case from Mrs Gosnell about her sister who had poor care in that hospital as a direct result.

Minister, just to advise you, there are other cases I would at least like you to comment on the general circumstance of. How can these be happening in Jim Wilson's Ontario if your cuts aren't harming patient care?

**The Vice-Chair:** The minister will have a minute and a half to respond to the first case and then later, Gerard, you'll have to present the other cases.

**Hon Mr Wilson:** Very quickly. You've picked the wrong area of the province to even talk to this government about restructuring because we haven't swayed from their own report, called the Win-Win report, one iota. It's a made-in-Windsor report —

**Mr Kennedy:** Minister, it's the cut that I asked about, not the report.

**Hon Mr Wilson:** Sorry, but you're talking about restructuring, blah, blah, blah —

**Mr Kennedy:** No, the cut to funding is very different.

**Hon Mr Wilson:** — in one area of the province. I dare you to go down there and tell them that they got it wrong because, I'll tell you, they're very proud of their restructuring report.

**Mr Kennedy:** It's a \$21-million cut, Minister, please.

**Hon Mr Wilson:** They're proud of their report, believe me, and they want it to move forward. If anything, we get criticisms that our capacity at the ministry to keep up with all the good things they're doing in Windsor is the limiting factor.

We've offered a program review to that particular hospital, because I've read — now, mind you, I met recently with that hospital. I was down there and, by the way, they don't say the same thing to me. But since I've read in the Windsor Star several times that there are these problems, we've offered a program review and, as I said earlier, about half the time that works out in favour of the hospital. They may get a few more dollars in a program because they're able to make a case based on the population they're serving. That unfortunately was on and now it's off and hopefully it will be on again with that particular hospital.

Again, individual cases. Tens of thousands of people receive world-class health care in this province, and there are going to be, no matter who sits in this chair, cases. We happen to be in a political climate where every time something happens, whether it would have happened or not in the system, the government gets blamed. I accept that. Every health minister did it and I spent four and a half years doing my fair share of that too.

The fact of the matter is the system is improving. More patients are being served. Quality is being maintained or enhanced and the evidence around the world, and particularly in Canada, is that first of all we have to do this to prepare the system for the growing and aging population.

Second, it has been successfully done by provincial governments of all three major political stripes in this country, and Ontario is behind.

If we're going to have even a better system in the future, we have to move forward with the restructuring. Yes, fingers will be pointed at the minister because of some deficiencies in service in individual cases. The best I can do, and the best any parliamentarian can do here, is to hear those concerns and to respond immediately upon hearing those cases and make sure that corrective measures are taken. That's what we do in each and every case that's brought to our attention.

**The Vice-Chair:** Thanks very much, Minister. Before we adjourn for the day and reconvene tomorrow, Mr Kennedy, can you just clarify what you'd like us to request from the restructuring commission?

**Mr Kennedy:** I would like the restructuring commission to provide — the minister indicated that policies existed across a range of areas. I specified large urban areas, women's health. I would like to include as well francophone health, the middle-sized urban areas, and I specifically mentioned Kitchener, to see if there were policy directives to that degree. The minister suggested that each of those areas were covered.

Without limiting it, I would like to extend the generality to any policy directions they have of that nature, with the concurrence of the committee, so that we could see the basis on which — and I know there are members on this committee who are interested to know how the restructuring commission will base its decisions, as is apparent in the instance of small rural areas.

**The Vice-Chair:** The Chair will request that.

**Mr Pettit:** I think the minister also said last week he would table the study from Winnipeg and the Centre for Health Policy and Evaluation. I wouldn't mind seeing that.

**Hon Mr Wilson:** Could I make one point?

**The Vice-Chair:** Very quickly because we have a vote.

**Hon Mr Wilson:** There are two areas the commission may report back that they're still working with all of their partners on, and that's further reinvestment in long-term care, because they will tell you in Metro they haven't figured all that out, and transitional care, which is a new type of subacute bed, where the policy isn't totally fleshed out. Otherwise, the policies are in place.

*The committee adjourned at 1800.*



## CONTENTS

Tuesday 10 June 1997

<b>Ministry of Health</b> .....	E-831
Hon Mr Wilson	
Ms Margaret Mottershead	

### STANDING COMMITTEE ON ESTIMATES

**Chair / Président:** Kennedy, Gerard (York South / -Sud L)

**Vice-Chair / Vice-Président:** Bartolucci, Rick (Sudbury L)

Mr Rick	Bartolucci (Sudbury L)
Mr Marcel	Beaubien (Lambton PC)
Mr Gilles	Bisson (Cochrane South / -Sud ND)
Mr Michael A.	Brown (Algoma-Manitoulin L)
Mr John C.	Cleary (Cornwall L)
Mr Ed	Doyle (Wentworth East / -Est PC)
Mr Bill	Grimmett (Muskoka-Georgian Bay / Muskoka-Baie-Georgienne PC)
Mr Morley	Kells (Etobicoke-Lakeshore PC)
Mr Gerard	Kennedy (York South / -Sud L)
Ms Frances	Lankin (Beaches-Woodbine ND)
Mr Trevor	Pettit (Hamilton Mountain PC)
Mr Frank	Sheehan (Lincoln PC)
Mr Bill	Vankoughnet (Frontenac-Addington PC)
Mr Wayne	Wettlaufer (Kitchener PC)

**Substitutions present / Membres remplaçants présents:**

Mr Sean	Conway (Renfrew North / -Nord L)
Mr Dan	Newman (Scarborough Centre / -Centre PC)

**Also taking part / Autre participant:**

Mrs Marion	Boyd (London Centre / - Centre ND)
------------	------------------------------------

**Clerk / Greffière:** Ms Rosemarie Singh

**Staff / Personnel:** Ms Alison Drummond, research officer, Legislative Research Service

2-27  
y 024  
E77



**Legislative Assembly  
of Ontario**

First Session, 36th Parliament

**Assemblée législative  
de l'Ontario**

Première session, 36<sup>e</sup> législature

**Official Report  
of Debates  
(Hansard)**

Wednesday 11 June 1997

**Journal  
des débats  
(Hansard)**

Mercredi 11 juin 1997

**Standing committee on  
estimates**

**Comité permanent des  
budgets des dépenses**

Ministry of Health

Ministère de la Santé



Chair: Gerard Kennedy  
Clerk: Rosemarie Singh

Président : Gerard Kennedy  
Greffière : Rosemarie Singh



### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.

Hansard Reporting Service  
3330 Whitney Block, 99 Wellesley St W  
Toronto ON M7A 1A2  
Telephone 416-325-7400; fax 416-325-7430  
Published by the Legislative Assembly of Ontario



Service du Journal des débats  
3330 Édifice Whitney ; 99, rue Wellesley ouest  
Toronto ON M7A 1A2  
Téléphone, 416-325-7400 ; télécopieur, 416-325-7430  
Publié par l'Assemblée législative de l'Ontario

## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Wednesday 11 June 1997

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mercredi 11 juin 1997

*The committee met at 1538 in committee room 2.*

## MINISTRY OF HEALTH

**The Vice-Chair (Mr Rick Bartolucci):** I call the meeting to order. Ladies and gentlemen, the NDP is to go next in our normal rotation; however, they're not here. If we can get consensus, we'll move to the government side for their 20 minutes; I'm sure the NDP will be here by the time they're finished, and then we'll move to them. Do we have concurrence? Great.

**Mr Bill Grimmett (Muskoka-Georgian Bay):** Minister, on previous days we've talked about the doctors' agreement. I'd like, if you wouldn't mind, to talk about nurses for a while. In my riding I've had the opportunity to sit down with a number of nurses, some representing their colleagues as a whole and some on an individual basis. They wanted to talk to me about the changes occurring in health care. I've even had some student nurses come in to speak to me about the opportunities or lack of opportunities in health care.

It's my understanding that with the changes taking place in hospitals and in the health care system generally, there may in fact be opportunities opening up for nurses. I wonder if you could perhaps advise the committee if this is so, and if that is the case, perhaps some details.

**Hon Jim Wilson (Minister of Health):** I'd say in a general sense that as we look at the restructuring that's gone on across Canada — in Great Britain, for example, where restructuring to the degree we're entering into has already occurred, it did in the end produce more jobs for nurses.

I've recently met with the Ontario Nurses' Association and the Registered Nurses Association of Ontario. Also, we just celebrated Nurses Week a while back, and I had the opportunity to attend a number of nursing events and have round tables and dialogues with nurses. Health care is a growing business. As the population grows and ages, certainly there will be an increased need for nurses and other health care providers.

I also took the unusual step on behalf of nurses, when I spoke with region 3 of the Ontario Hospital Association, to remind them that we need to come to a consensus on what the appropriate staff mix is in hospitals. There really isn't.

Our nurse adviser on my staff is Kathleen MacMillan, who's highly respected in the nursing community. She's a nurse herself, has a master's in nursing and is working on her PhD in nursing. She's of the opinion, and the advice we hear is, that we have to work more carefully and closely, and we're doing that, with the Ministry of Education to make sure we do a better job of planning in the

province these human resource matters and provider resource matters. We've seen in my lifetime shortages of nurses and surpluses of nurses. We have to do a better job as government, working with the associations, to plan better so we don't have these ebbs and flows and ups and downs with respect to the supply of nurses in the province.

There's a study from Laurentian University and a press release they put out a few months ago indicating that with our community reinvestments they expect there will be a shortage of baccalaureate-prepared nurses in the province by the turn of the century, by the year 2000. In that press release, which we will table for the committee — I have a copy right here, in fact — it indicates that people should not be discouraged from going to university and getting a baccalaureate degree in nursing, because there will be jobs. Our community investment of \$170 million into community-based care, for example, creates a number of jobs for nurses and other health care providers.

When I appeared before the Ontario Hospital Association, I brought to their attention the fact that during Nurses Week this year the Registered Nurses Association gave an award to Mount Sinai Hospital. Mount Sinai has decided to increase its number of registered nurses on staff. They are one model out there that we're encouraging other hospitals to look at as they decide their staff mixes. They feel that by increasing the nurses they have and decreasing the number of generic workers or less skilled and less trained workers, they will indeed provide quality care and meet the fiscal objectives and targets that have been set for that hospital.

More work needs to be done in that area. We have a very good relationship with the Registered Nurses Association of Ontario. One on one, anyway, we have a good relationship with the Ontario Nurses' Association. We are working together.

We have done some things at the ministry. We came to office and we extended the nursing effectiveness, utilization and outcomes research unit at McMaster University and the University of Toronto, which will advise the government on how best to use nurses in a restructured system. We put \$1.7 million into that research unit a few months back so we'd get good advice as we go through restructuring. We don't want to end up like Britain, where they have a chronic shortage of nurses right now as a result of the restructuring they went through. In fact, I think they're actively recruiting nurses from Canada now to go to Great Britain.

Hospitals are the employers of nurses, and we're trying to encourage them and indicate to them that there's more than one model out there and to please look at Mount



Sinai, which received the first annual Employer of the Year Award from the Registered Nurses Association.

I'm sorry about the rather scrambled answer. But we are working very closely with nurses and we're concerned. Here's the Laurentian press release of March 22, 1997. It says, "Survey Points Towards Increased Employment Opportunities for University-educated Nurses." This was done by Professor Johanne Pomerleau, director of Laurentian University's school of nursing. It says:

"The results of the survey indicate that there will be an increased demand for baccalaureate-prepared nurses in all sectors of health care after the present health restructuring is completed. Other countries, such as Great Britain and Australia, have completed these changes and are now dealing with shortages of university-educated nurses. These nurses are able to function in the new health environment which requires more independent practice and autonomous decision-making."

To enable nurses to practise to their full potential of their education and training, we've also introduced, as you know, the nurse practitioners legislation, which is long overdue. The previous government made the announcement that nurse practitioners would be trained in the province and they did open up the university courses so that nurses could go back and participate in those programs and become qualified. However, they didn't move forward on the legislation; they sent that off to the Health Professions Regulatory Advisory Council, where it sat for about two years until we came to office. We brushed the dust off that one and brought it forward and now have that before us in the Legislature, and I think we have all-party agreement to move forward as quickly as possible on it.

I also mention that in addition to having joint policy committees with the hospital association, for example, the province also has the JPNC, which is the Joint Provincial Nursing Council. It's also working with us very quickly and very closely to advise the government, as I said earlier, on how the ministries of education and health can work more closely together to make sure we're projecting the needs of nursing in a proactive way, ahead of time, so that we're training enough nurses in the system to meet the needs.

**Mr Ed Doyle (Wentworth East):** I understand that Ontario was the last government in the country to introduce a copayment for drugs and that the copayment we have offered is actually one of the best bargains offered by any government in the country. I wonder if you could detail for us some of the benefits we have under the increased numbers of drugs and pharmaceuticals that are available to the patients of the province.

**Hon Mr Wilson:** When we came to office, we had just seen five years of delisting some 260 drugs from the drug formulary. What delisting meant was that the cost of drugs taken off the formulary became 100% the responsibility of seniors.

In the senior seminars I have held each year in my riding in June, Seniors' Month, at the last three seminars I've asked seniors in the room to put up their hands if they're now paying 100% for a drug that was previously covered by the formulary. We have reversed that in the last 18 months in that we've added 465 new drugs to the

formulary. All the money that's coming in from copayments is being applied towards new drugs, and some of those drugs are extremely expensive. We have, for women's health, for example, Taxol, a cancer drug. We're covering a full range of AIDS and HIV drugs. I think it would be very interesting to provide to the committee a list of some of these new drugs.

Pharmaceutical companies went through a period of about five years where they couldn't introduce any breakthrough drugs. There's a rigorous process you go through. Mind you, we've shortened the process; we got rid of a lot of the red tape. But it is a benefit to health care in general and to the people of the province, seniors in particular, that we add new drugs. The approvals process is based on, if this drug is added, what are its benefits across the system? Will we see fewer hospital admissions etc? We do that.

**1550**

We've taken all the money we've seen in copayments and we're investing it in new drugs, and we've also lowered the deductible on the Trillium drug plan, which is the drug program the NDP introduced, a good program. That entitles the working poor, defined as those people who are working and are therefore not on social assistance — their income levels are above what one would be at to qualify for welfare or social assistance, but at the same time they're by no means able to cover the catastrophic drug costs.

The deductible, when introduced, was \$500, which meant people would have to pay the first \$500 of their drugs in any given year and then they would qualify for the Ontario drug benefit plan, which is essentially the same plan; they weren't a senior and they're not on social assistance. We lowered that to \$350, which again is unmatched in Canada. Nobody else has a program like it. Those people who have catastrophic drug costs now have to pay the first \$350 but we pick up everything after that.

I encourage you to tell your constituents that. You'll note in the estimates, going back to what we're here for, that there's some underspending in that area. The money's sitting there available to people because we haven't had the enrolment in the Trillium drug program that we expected, frankly, although the applications are available at every pharmacy, every doctor's office in the province and MPPs' offices, and we mail out hundreds of applications to people who call in. We certainly wouldn't mind if MPPs as part of their seniors' seminars or as part of their constituency meetings mention the Trillium drug plan, because it's something we're extremely proud of.

**The Vice-Chair:** Anyone else from the government side? Then we'll move over to the third party.

**Mr Tony Martin (Sault Ste Marie):** I want to follow up on Mr Doyle's question, as it is quite relevant and timely. A significant number of the calls to my office and the letters I get are in reference to the difficulty seniors in particular are having in accessing the drugs they need to take care of themselves in a manner that's healthy and speaks to quality of life.

I know of a number of seniors who, because of the new copayment and other complications, for example, the fact that people are being released from hospital a lot sooner now than they ever were before and so must

purchase the medication they would normally get if they were in the hospital — it's becoming quite a burden to them. In spite of the gleam you put on what's happening in the area of seniors and drugs, there's still a big problem out there, indicated very clearly by the number of people who are having great difficulty, who are in distress now because of the added cost to people who are for all intents and purposes on fixed incomes.

How do you put that juxtaposition together? You obviously very confidently sit and tell us in your response to Mr Doyle of all the good things that are going on and how it's all working in the best interests of seniors out there, and yet when we go back out to our constituencies we hear a very, very different story. Who is telling the truth and who isn't? Which reality do we believe?

**Hon Mr Wilson:** My advice would be that you pass on those cases to the ministry. We've closed a number of gaps. Yes, it used to be the case under your government when people were discharged from hospital — and by the way, people are not going out any earlier than they were during your period of time in office — they couldn't get their drugs covered that were covered as part of the hospital, but the reason we've been adding 465 drugs to the program is to close those gaps. If a particular person, a senior, is discharged from hospital and they need the drug, then we want to hear about that.

**Mr Martin:** We do, though. We work really hard in our office. The constituency workers in my office are forever working with individual seniors and others in the community, trying to sort out some of those issues. I don't know where you get your statistics. Actually the closest I get to the reality of what's going on is when I go back and I talk to people who are coming out of our hospitals and I talk to the professionals in the hospitals and when I have family members of my own go in.

To say that people are being discharged now at the same rate as they were discharged back two or three or four years ago is just not telling it like it is. There's a juxtaposition here. There's you on one hand saying there is no problem, that seniors can access drugs, that it isn't creating stress, that people aren't being shipped out of hospital sooner than they were before and so the cost of medication to them has not changed, and yet the people we deal with on a regular basis in our communities are saying otherwise.

Just a new question to this, because it's the same question over again basically: You mentioned the Trillium drug plan and the fact that people aren't taking it up. It could be that you've set the criteria so tightly that they just don't qualify, because we have people come into our office who want to access Trillium. We work with them and with their doctors to see if we can get them to fit, and the difficulty is the criteria, not unlike — and it's important to tie these things together because it's a bit of a pattern — the fact that my community returned to your ministry last year about \$400,000 in long-term-care money because they say they couldn't spend it. When we dug into it a little bit we found out that the reason they couldn't spend it was the criteria were so tight and narrow that people who really needed the long-term care — and it's seniors again for the most part — aren't getting it because they don't fit the criteria.

On one hand you're saying, "Everything's fine; we've got enough money to look after people," yet on the other hand our experience of it is in fact that you're not and that where there is something that people could access, the criteria are so narrow and so strict that they can't access it and they're having difficulty. Are you looking at maybe loosening up some of that or backing away from some of the very difficult pressure you're putting on seniors where it comes to accessing some of the drugs they need?

**Hon Mr Wilson:** We didn't change the criteria of the Trillium drug plan. What we did was expand the program so that 140,000 more working poor people could access the programs. So the criteria are the same.

I think things are improving and they can always continue to improve. There was a day when you were discharged from hospital and there wasn't a program except a very limited ODB program for which you had to be on welfare or a senior citizen to qualify.

Your government moved forward to bring Trillium and now some of those drugs, unless they are under a special drugs category or some other circumstances, people do have to pay for depending on their family income bracket, up to the first \$350 of their drug costs in that year. The best I can say is that it's by far the best program in the world. There's no better place to live than Ontario if you're a senior or if you're the working poor.

Certainly we will strive to continually improve it within the reality of the fiscal situation of the province. We're spending 20% more per capita on health care in this province than anyone else in Canada and we rank up there with the best in the world. The nurses' association, many of the associations out there indicate that we are spending enough money on health care; it's just targeting that money. That's the idea of the Trillium drug plan and others, to target the money to people who need it.

#### 1600

The \$2 deductible or the \$6.11 copayment or the \$6.11/\$100-a-year premium is by far the lowest in Canada. In Saskatchewan, as you know, it's \$600 every six months. Nobody comes close to Ontario, so I don't think this government or your government or any previous government in Ontario should make any apology for not having the best programs and the most generous programs. All I can say to you is we're doing the best we can.

With respect to discharge from hospital, remember, people cannot by law be discharged from hospital unless there is a plan in place to look after them in the community. We do not have waiting lists anywhere in the province today for in-home nursing, and the criteria haven't changed one iota. It is driven by need; it is driven by medical experts. I don't decide whether you need 10 hours of nursing a week or 40 hours of nursing a week. That is decided as a part of the discharge planning process by the team at the hospital or the institution you're coming from, and that is to be in place prior to discharge.

Also, anyone who is not going through the institutional route into home care phones our community care access centres and a nurse is sent out right away to do an assessment of the client's needs. I think it's a very reasonable system. We can't do everything for everyone,



but those who have medical needs are looked after in the province, and we've been pumping increasingly more and more money into that system.

**Mr Martin:** Minister, I appreciate your optimism, I really do, and I hope in the best interests of my constituents that you're right. But the reality that's rolling out there right now is not proving to be that way. We have story after story that we've documented out of our community alone where the level of service that is being offered in hospitals now is diminishing, some of them quite dramatic, some of them written up in a very troubling way in local newspapers as people get to a point where their frustration level is so high they feel they have no other choice but to speak about it publicly and let people know what's going on.

After just such a series of stories in our community we went to the hospital board and administrators and asked them what was going on. The response they gave to us was, among other things, that we no longer can afford in Ontario first-class — they call it "hotel service" delivery of health care. We asked them what they meant by that. Is it that we can no longer give back rubs, we can no longer feed people, we can no longer bring a glass of water to the bed? Is that considered a frill?

Trying to set up an analogy of some sort, I'm thinking, you know, I bring my car in to the garage and they change the water pump. They take the water pump out and then they give me the car back. They don't wash it or shampoo it. But to compare that to the care of people who go into a hospital, who are sick — and anybody who knows anything about health care know that a holistic approach, where you look after the needs of the whole person when they go into the hospital, is very, very important where it concerns the getting better, the well-being, the improvement in health of that person.

If you're moving our hospitals to a situation where it's similar to going in and getting your water pump changed, in and out, bang, bang, the meter goes on when you go in, the meter goes off when you go out and that's what gets billed and we keep track of it in that way, as opposed to looking at the whole person when we bring them in — because that's what everybody thinks they pay into when they pay their taxes, that they should get everything they need to make them comfortable and make them better so that when they leave they are in better shape than when they arrived.

That's the scenario. That's what the people who are running hospitals out there are saying to some of us: "We can no longer afford a first-class, hotel type of operation where we give back rubs or bring water to the bed or even feed people." Some of the stories are quite alarming.

I put that together with the agreement you've made now with the doctors. Actually, the day after the agreement was announced, I met with a health care coalition in Sault Ste Marie to discuss just that. The doctor in that group, who is president of the local academy, was, with us, first of all happy that you had an agreement with the doctors. All of us are happy that you have buried the hatchet with that group and found a way to work together with them, but the extra cost to the system that it's going to take for you to meet that agreement — the question from all of us was, "Where's that money coming from?"

Is that now going to be fewer hotel services to people? Whereas now we don't get hotel services but we still get the first-class water pump, are we going to get discount parts and pieces? What's the situation going to be? How are you going to account for the extra money that it's going to cost you?

To add to that a further concern, when you bring on the nurse practitioners, which is good news again, where's the money going to come from to cover the cost of that? Is the pocket already there or is there going to be new money? How is all that going to be looked at? It just runs up a million red flags for us out there who have any kind of genuine concern about how we deliver health care to our constituents.

**Hon Mr Wilson:** We made very clear when we signed the agreement with the OMA that new money will be required in the health care budget. Some of that is reflected this year; you'll see it more as we proceed through the year. We're dealing with other providers also. We've taken the clawback off other provider groups that your government had in place and are trying to be very fair across the board to all the providers in the system. We've taken it off for optometrists, for example, and chiropractors. We're in negotiations with them right now.

Remember, you brought in the social contract, which was three years. Rather than permanently lowering anybody's expectations, all you did was create pent-up demand for three years. We came to office and now everybody says to us, "It's been three years since our problems were addressed; we want X, Y and Z." We are in negotiations trying to deal with all the demands.

We're concentrating on the patient, though, and less on the provider arguments. The deal with the doctors is for patients, not for doctors. Doctors did not get a fee increase. The pool is being adjusted to reflect the growing and aging population so that the people who go to the doctor will be seen by the doctor.

We are doing the very best we can. The deputy was reminding me recently we had a number of delegations from other countries, including the United States, who can't believe the level of services we are able to provide in our hospitals and the amount of money we spend. I just finished last year being chair of Canada's health ministers, and in fact three weeks ago had a meeting in Montreal with provincial health ministers on the blood issue. The ribbing we take is, "Wilson, how can you spend so much money on health care?"

**1610**

We're trying to focus the system on outcomes, less on these dollar arguments. Wouldn't it be nice if politicians could get off dollar arguments and actually focus on what the professionals, like the nurses, are saying? That is, let's measure outcomes. Is our population healthier for all the money we spent on health care? Is there evidence that pumping in hundreds of millions of dollars more going to do anything to make your population healthier? We have to move rapidly, I think more so than we have in the past, towards what nurses have been telling us, particularly the Ontario Nurses' Association, and that is doing more on the prevention side. That's why for the first time in Ontario we have province-wide immunization pro-

grams for seniors and for school-aged children with hepatitis B.

We are, as best we can, trying to bring a balance to the system and put additional dollars also into public health: our healthy babies program, a first of its kind certainly in this part of Canada — BC is doing something similar — to try and give infants a healthy start in life; the Premier's breakfast program, which is not costing the taxpayers money but was done in cooperation with the private sector. Literally dozens of those programs across the province are an effort to try and —

**Mr Martin:** You take 22% away from the families that feed most of the hungry people in this province and then you introduce a breakfast program and suggest for a second that that somehow replaces it?

**Hon Mr Wilson:** Our welfare rates are much higher than anyone else in Canada, including other NDP governments. The fact of the matter is, even with the rate reductions in all categories, we're still above the national average. I think we still have a very generous program and we've expanded the drug programs and other benefits that people on social assistance receive. We won't get into a social assistance debate today; there are others more qualified to do that.

**Mr Martin:** Maybe since you suggested it, let's talk for a second about the impact on families, on people in this province, of reducing the income to some of the most vulnerable, our children particularly, by 22%. That in itself has contributed in a very significant way to the impoverishment and to the poor health of many of our children and of our families. We're seeing it in our communities and we're seeing it on the streets of Toronto.

How can you say you are at all interested in health promotion and prevention, particularly for those who are most vulnerable, and at the same time support your colleagues' making a decision two months into your mandate which in fact probably shocked me more than anything you've done to date so far, although I've been shocked on a number of occasions? How do you square that, Jim?

**Hon Mr Wilson:** I think with common sense. Bob Nixon, I think, was the most honest ex-politician to describe the STEP program, where he said perhaps our benefits were becoming a disincentive to go to work.

**Mr Martin:** But there is no work.

**Hon Mr Wilson:** We are, unlike other governments, targeting those benefits, as you say, to the most vulnerable, to the people who actually need it. Having people on welfare who could work siphons benefits away from those families who absolutely need the help. That's the focus of this government, and you'll note that every other government in Canada is now following Ontario's lead.

**The Vice-Chair:** We'll return to our normal rotation now and we'll start with the official opposition.

**Mr Gerard Kennedy (York South):** Minister, I want to bring you to a summary of what we hope to discuss with you in the next little while. I think it's important that people get a true picture of what's happening in terms of the estimates, in terms of your overall programs, one of which is that you actually reduced health care spending last year. We established that yesterday. The accounting trick of —

**Hon Mr Wilson:** No, you established that on your own —

**The Vice-Chair:** Hold it, hold it.

**Hon Mr Wilson:** Excuse me, Mr Chairman. The honourable member established that in his own mind yesterday.

**Mr Kennedy:** Minister, I'll be happy to provide you with the figures.

**Hon Mr Wilson:** No, no. There's no evidence —

**The Vice-Chair:** Gentlemen.

**Hon Mr Wilson:** No, I'm not putting up with this. We've no evidence at all in the estimates —

**The Vice-Chair:** One second. Nor am I, Mr Wilson.

**Hon Mr Wilson:** Throw me out, Chair.

**The Vice-Chair:** Yes, right. You'd like that.

**Mr Kennedy:** I have a copy for you of the figures that establish that. We established yesterday that what you announced in the budget, \$1.3 billion to offset hospital restructuring, we learned from you and your deputy that only \$218 million, or 17% of that, will be spent and that none of it was spent last year. So there's a phantom quality about the dollars you put into health care.

I want to refer you specifically — you have talked about investment in community and you have talked about home care, and particularly that there are opportunities for nurses. How much money did you increase home care by last year?

**Hon Mr Wilson:** Of the \$170 million we've announced, we've been flowing over \$130 million of that and by the end of this calendar year the rest will go. The system, by the way, when you talk to the experts, can't take an injection of \$170 million all at once. We don't have the capacity.

**Mr Kennedy:** I wonder if they could take what actually happened.

**Hon Mr Wilson:** You want to talk to some home care experts.

**Mr Kennedy:** If I could refer you to the page in the estimates that deals with long-term care, home care. I'll have that for you in a moment. That would be facing page 175. Do you have the page? In column (e), the amount of money you spent last year, \$1,032 billion, is \$4 million less than was spent the year before. In fact what you budgeted — and this is very important for the people of Ontario, Minister —

**Mr Trevor Pettit (Hamilton Mountain):** Page 174.

**Mr Kennedy:** It's facing 175. There isn't a page number there, but yes, thank you, Mr Pettit.

Where the figures are in column (e) and column (g), comparing the interim actuals in column (e), we see that actually \$4 million less was spent on home care by you, Minister, last year. You underspent your budget by some \$120 million. I think there's just no credibility that you can ascribe to that. When you talk about increases in home care, you've actually decreased it by \$4 million. That's what the figures say.

**Hon Mr Wilson:** You can check. Under our accounting system now the day the announcement is made is the day the money's available.

**Mr Kennedy:** We have figures in front of us here. Wouldn't you agree there's \$4 million less spent?



**Hon Mr Wilson:** I agree that the money was available last year and that the home care agencies frankly didn't have the customers, is what they told us. What am I supposed to do? This is the same argument. Am I supposed to set up a trust fund now in a community and say, "There it is." The trust fund is us. It's the Provincial Auditor. The money's there.

Your first question was: "What have you spent over the last two years?" We've injected \$130 million of the \$170 million so far and the rest will flow. We had a capacity problem last year. You can't just flow dollars out. By the way, we flow these dollars on an invoice basis, so we don't flow it out ahead of time. Simply, we pay the invoices every 30 days from the Red Cross, the VON and the 1,200 agencies. When they have the customers, they provide the service and we pay for it. Last year, if there's slight underspending, and there is, you're right —

**Mr Kennedy:** Slight?

**Hon Mr Wilson:** — it isn't that the money wasn't available. It's why today we do not have waiting lists for in-home nursing. We do have some waiting lists, as I said, for some of the therapies, occupational therapy and speech-language pathology, in-home therapies. That is more a result of not having the trained professionals to provide the services. We have actual money sitting in long-term-care offices, but we don't have a professional to send out to the home, so we need to train more young people.

But in terms of home care services it's an invoice system. The money's available and this year the agencies are better geared up. We were told by many of the home care agencies when we made the announcement of \$170 million at the press conference that there would be lag time of eight to 12 months to hire the people, train them, deliver the services and see the clients, as they're referred to, come on line.

**Mr Kennedy:** You made that announcement more than 12 months before and the facts are, you spent \$4 million less on home care than you did the year before.

Similarly, when it comes to mental health, you talked a lot and you made a lot of noise about improving spending on community-based mental health services, but I refer you to page 103, page 102 to be correct, the figure page.

**Hon Mr Wilson:** I just point out that on home care the money was put in the estimates, and yes, it didn't get spent because we didn't receive the invoices. This year we hope we'll receive more invoices.

**Mr Kennedy:** That frankly is an incredible answer.

**Hon Mr Wilson:** That is the answer. You don't like any of my answers, but that is the answer. You make up your own, but that is the answer.

**Mr Kennedy:** That's the best of your answers and we'll let other people judge how credible it is.

Do you have a similar explanation for page 102, because you promised a \$21-million community investment fund. You promised a lot of things for community mental health and in fact you didn't spend it. You spent only \$3 million more and you had \$202 million budgeted. How are people to believe that you're actually going to spend the money when in these crucial areas you've filled

the airwaves over and over again saying that you're spending money and you didn't spend the money you said you would. How do you explain that? There must be an explanation for this.

1620

**Hon Mr Wilson:** How do you explain your proposition to set up a system and just throw the money out on the street as a free-for-all? It's not how any system works anywhere in the world that I'm aware of. For example, the money has been budgeted. It's available to the groups in mental health also, and it's more than \$21 million, it's \$23.5 million, the community investment fund. All of that's been announced, all of it's available to the groups.

To set up a crisis response team in Hamilton didn't take a month; it took a year. So they're not sending us an invoice till they get the team set up. To set up the crisis response in Metro, they're not set up yet even though we've announced them.

The fact of the matter is, these are human beings at the other end of these announcements. There are professionals to be recruited, to be trained, teams to put together. When we get the proposals, we go through them, we approve the proposals, we approve the dollar amount to those proposals, and under our accounting system now, which is the pre-1985 accounting system, the day the announcement is made is the day the money's available. The groups have to provide the service though. We just don't give them a bunch of money to run around and keep in bank accounts.

**Mr Kennedy:** More than understandable. However, I attended a number of those announcements with you and was startled to learn that many of the mental health groups had their programs in place eight months before and that the reason they did is because you announced the same funding programs eight months before.

**Hon Mr Wilson:** No. In fact, you'll find the announcement was made about two years before by the NDP.

**Mr Kennedy:** But you personally made the announcement eight months earlier —

**Hon Mr Wilson:** Under the old accounting system and it was a false announcement —

**Mr Kennedy:** — to the exact same programs and the money did not flow. Everybody in long-term care and home care was wringing their hands wondering when this money was going to come. You know it's a joke in those circles. They hear the \$170 million and they laugh because it's been talked about and talked about and the money hasn't flowed, and it certainly didn't flow last year.

**Hon Mr Wilson:** Exactly. In every one of those announcements, if you pay attention to the speech, I always say, "How many times have you heard this figure?" Because we've changed the accounting system, the money's available today, and that's why I say that in my remarks. I was one of the critics for four and a half years who said, "Jeez, I've heard this figure," but I can tell you, the money wasn't flowing. It's flowing now and the announcements have been made and the money's available.

**Mr Kennedy:** It didn't flow last year and you stand accountable for that.

I want to turn your direction to the drug program. You have made cuts now over two years that add up to some \$165 million to the Ontario drug benefit program. I'll pass you a copy of those figures, but they're also available to you on page 92.

You made these cuts of \$165 million. You talk about —

*Interjection.*

**Mr Kennedy:** I'll direct your attention to the amount of money that you're planning to spend in 1997-98 compared to the actuals you spent in 1996-97, and it is a cut, from \$903 million to \$836 million. That is a cut.

**Hon Mr Wilson:** Offset from the copayment. The budget is up —

**Mr Kennedy:** The fact is —

**Hon Mr Wilson:** Can I explain what you're looking at?

**The Vice-Chair:** Mr Kennedy, would you allow him to explain the figures and you can ask another question.

**Mr Kennedy:** Yes, certainly.

**Hon Mr Wilson:** The copayment brings in about \$225 million a year, so you're seeing a subtraction of that when you get into the estimates. The money will be spent. Some of it is being offset by the copayment coming in.

Also, I've explained on this that with respect to Trillium drugs we fully admit — we're still planning to spend \$75 million in column (a) — we only spent \$18 million because of the takeover. Now we're not taking away the \$75 million. It's still there. We're encouraging people to sign up for the program. The \$75 million is the same \$75 million that we planned to spend last year, but we could only spend \$18.9 million because we just simply didn't have the invoices.

**Mr Kennedy:** You are spending less on drugs this year than you did last. Because of the copayment program, the government investment is lower. Is that correct?

**Hon Mr Wilson:** No.

**Mr Kennedy:** How do you explain the figures? If you go to column (g), \$1 billion was spent. If you go to column (e), \$903 million was spent, and your plan for next year is \$836 million. How do you explain that?

**Hon Mr Wilson:** Let's look at last year. We planned to spend \$938 million and we spent \$1.03 billion. So you're looking at an estimate and we will spend, I can assure you, well over the billion-dollar mark on drug program this year even with the offset of \$225 million in copayment.

**Mr Kennedy:** But even at that figure it's still \$100 million less than it was the year before.

**Hon Mr Wilson:** No, it isn't.

**Mr Kennedy:** You have two figures here, you've \$1.1 billion and then you have another one for \$1.03 billion. It is less no matter how you slice it.

**Hon Mr Wilson:** I've already explained that you've got to offset the revenue that's coming in on a program that didn't come in before.

**Mr Kennedy:** I want to move on to that revenue you're talking about.

**Hon Mr Wilson:** The deputy points out that from estimates projection to estimates projection it's actually up

\$45 million. We're projecting to spend more money this year, if you look at columns (f) versus (b).

**Mr Kennedy:** We'll come back to that because we'll look at why, for example, the special drugs program is in the position it is and we'll talk about the Trillium drug program, with your indulgence.

You talked about revenue coming in. The \$100 user fee being collected from seniors earning \$16,000 a year: Would you say that, as you referred to it, is revenue, in other words, you want to raise money, or was that in place to act as a deterrent for seniors and others, that income, using the drug system? Which would you say is its objective to you?

**Hon Mr Wilson:** It is an offsetting cost because we're reinvesting all of that money and more into expansion of the drug program, both the availability of drugs on ODB and also the Trillium program. Secondly, we did see some utilization chill back in July and August of last year, but that may have been because just prior to the announcement of the copayment we saw a huge increase in utilization as people stocked up. We won't know for a little while, but I don't think it had — at least we don't have any evidence at this point, and Dr David Naylor just looked at this. It wasn't a deterrent to seniors getting their drugs and seniors are getting their drugs. These drugs are getting more and more expensive all the time and we have, by far, the best program available.

**The Vice-Chair:** A quick question to end your round, Mr Kennedy.

**Mr Kennedy:** We will certainly come back to that because there's ample evidence you do not have the best program in Canada.

But let me just ask you, do you know, do you have proof, do you have indications of how much additional cost there's been in hospital care or in visits to physicians as a result of seniors becoming ill because they couldn't afford to take their medication? Do you have indications of that? Do you have studies it prove it one way or the other?

**Hon Mr Wilson:** Yes. We have Dr David Naylor at the Institute for Clinical Evaluative Sciences who looked at that particular question. He is charged with continuing to monitor that question. We had the experience of every other province before us that brought in a copayment, many of them years ago. All nine provinces had the copayment prior to us and we do not see that they're a barrier where the copayments are reasonable. I don't know what the experience is in those provinces where the copayment is hundreds of dollars every six months.

**Mr Kennedy:** We'll come back to that study and we'll talk about it.

**Hon Mr Wilson:** Certainly ours we have from the Institute of Clinical Evaluative Sciences.

**Mr Kennedy:** Absolutely. I have it right here and we'll talk about it.

**Mr Martin:** I want to follow up on a line of questioning that I started, among others, in my last opportunity, around the agreement with the doctors. You certainly speak very positively about your interest in an integrated health care system where everybody who practises a particular level or type of health care, and I'm talking of nurses, nurse practitioners, physiotherapists, chiropractors,



all that kind of thing — bringing them into the mix and making sure that each one plays the role they're trained to play and in that way improve the way we deliver health care in the province. You talk about your support of the nurses' approach to this.

In the agreement you made with the doctors, you struck a committee to look at the further development and implementation of, for example, alternative payment schemes. You said a few minutes ago that you wished we would get away from the money end of things and focus more on the health and the people end, but at the end of the day, if we're not able to pay for the service that different professionals are wanting and we need to provide, it doesn't matter what kind of an integrated model you have, it isn't going to work. How does the establishing of a committee made up mostly of doctors to look at the development and implementation of alternative payment schemes and integrated delivery systems fit with your view of an integrated system and the nurses' view of an integrated system?

1630

**The Vice-Chair:** Mr Martin, could you please repeat the last part of your question?

**Mr Martin:** Sure.

**The Vice-Chair:** I'm sorry. I distracted the minister.

**Mr Martin:** No problem. How does your view of an integrated health care system, which includes a whole lot of professionals, including nurse practitioners, fit with the agreement that you cut with the doctors that sees them playing the major role in the development and implementation of alternative payment schemes and integrated delivery systems?

**Hon Mr Wilson:** It's a good point. The interpretation unfortunately that was put on the agreement — the Ontario Nurses' Association was the one that put this interpretation on, and I met with them and indicated to them that their interpretation was not correct. They saw because of the way this was portrayed in the media that this was some exclusive committee looking at integrated health care systems.

All the doctors said in the two years of negotiations at the table was that they wanted to be at the table on integrated health care systems. They were worried that because the commission has put out vision statements and talked a great deal about integrated health care systems, the Health Services Restructuring Commission would become the exclusive body.

Just off the top of my head, while you were speaking, I wanted to tell you all the different groups who are working on integrated health care systems. As I've said many, many times publicly and in the Legislature and elsewhere, my job as minister, as I see it in the next while, is to integrate the integrators.

We have the JPNC, which is the Joint Provincial Nursing Council, working on integrated health care systems. We have the JPCC, which is the joint policy and planning committee between the OHA and the ministry working on integrated health care systems. We have the primary care reform committee under the leadership of Dr Wendy Graham from the OMA, which is made up of a range of experts including George Pink from the Univer-

sity of Toronto. The deputy named a whole pile of other names working on that committee.

We have the Health Services Restructuring Commission. We have PCCCAR, which is the academic health sciences centre committee that's been long established. Then we have the OMA agreement which simply says that doctors will be part of the discussions on integrated health care systems in the province. It's not an exclusivity clause that they would be the only group we would talk to, but they were expressing at the table over the last two years a similar frustration that the Ontario Nurses' Association was expressing in feeling that somehow they were being left out of discussions on integrated health care systems.

Plus we have about seven district health councils that have submitted integrated health care system reports to the ministry and at least two hospitals I can think of, I think North York being one. East York general under Gail Paech is another one. She's been working at it for years in fact. There is Queensway. We have a pile of hospitals that are working on integrated health care systems — the Willett in Paris. That's just off the top of our heads.

Our job at the ministry right now is we're working with all of these groups to get a framework together for integrated health care systems. I've often said, what does it mean? There are a lot of people who, depending on who you talk to, have a different idea of what the term "integrated health care system" means, so we need to all pull on the oars in the same direction and come up with a definition, not a cookie-cutter approach but a definition, and a policy framework in which to evaluate all the good ideas and proposals we're getting from hospitals and district health councils, the OMA and all kinds of groups.

**Mr Martin:** But the fear out there, however, is that in fact the reins, the control of the biggest, probably, line item in your ministry's budget is still in the hands of the doctors. If you've agreed in your new agreement with them —

**Hon Mr Wilson:** No, that was your government.

**Mr Martin:** Pardon?

**Hon Mr Wilson:** It's not in the hands of the doctors. You gave the pool exclusively under the 1992 agreement with the doctors. We cancelled that and that's what got them angry when I came to office. They do not have any exclusivity. The deal specifically has a line in it that says the government reserves the right to set the OHIP budget, and that is a right we had to take back because you gave it to the OMA in 1992. Plus you gave them the fee schedule.

**Mr Martin:** Again, that's your view of the evolution of this.

**Hon Mr Wilson:** No, it's not my view; that's reality. That's the agreement you signed with them.

**Mr Martin:** It's your view. From the discussion we've had here so far in the short time I've been here, we seem to be having a very serious difference of opinion, ourselves and you —

**Hon Mr Wilson:** There's no opinion here.

**Mr Martin:** — and the Liberals.

**Hon Mr Wilson:** Ask your learned lawyer friend to read both agreements and you'll see there's no opinion here. There's no room for opinion here. There's fact.

**Mr Martin:** Then the reality, the fact. You and your cohorts are obviously very good at twisting the truth to suit a view of life that you hope will play politically out there in a way that at the end of the day, in my mind, will continue to have a certain number of élites running this province in a way that will see fewer and fewer services. We're talking here today about health services available to the ordinary working family out there and our concern is even in this agreement that you've made, that you've cut now with the doctors.

You can cast as many aspersions on us as you will. We tried in our short time in government to balance some of the table that was out there, but in this instance, by agreeing to the kind of increase — and you suggested in comments earlier that there was no increase. If there was no increase, why is it going to cost an additional \$500 million over the cap; \$362 million in year one, \$424 million in year two, \$486 million in year three, \$1.2 billion in year four to actually meet the requirements of the agreement that you struck with the doctors?

How are we going to square all that with an integrated health care system that includes all of the professionals out there and in a way that deals right now with a budget that obviously isn't delivering the kind of quality care we've all come to expect that a province as rich as Ontario should be able to deliver?

**Hon Mr Wilson:** It obviously is delivering quality care. Our cases in most categories are up. Quality's been maintained. We have no evidence, in spite of all the bodies that are monitoring this on a daily basis, of the suffering of quality in the system.

Secondly, I don't know where you get your figures on the doctors' deal. I'd ask you to read it. It's 1.5% for growth. I went through this yesterday and I'd be happy to go through it again. The doctors don't receive one penny more per procedure under this deal than they did the day before the deal was signed. It's still the same rate in the fee schedule for you to walk into that doctor's office and have your examination as it was the day before the deal was signed.

We recognized after a few years of the pool not being adjusted — and it took us two years to negotiate this in fairly hard negotiations. We agreed to expand the pool for new doctors, new Canadians, new patients coming on line and the growing and aging population, at 1.5% in each of the next three years. My calculation of 1.5% on a \$4.1-billion pool is \$60 million per year.

I don't know where people get \$1 billion. The only other additional cost in the agreement is \$45 million to retain and recruit physicians and increase our incentive programs to get physicians out to underserved areas, rural and northern Ontario. We also have in the deal the discount that you cannot go into an overserved area. You'll receive a 25% penalty if you graduate this year. By the way, our first class is graduating now, almost 500 doctors a year. We're starting to see a very positive effect as doctors don't want to take the 25% discount to go to an overserved area like Toronto, so they're starting to

look outside the overserved areas and go where in fact they are needed.

The other expense in the agreement is for the malpractice insurance as per the 1986 agreement that was set by the Liberal government. So there's no way this deal cost \$1 billion.

I remind you that you set caps in 1993 at \$400,000 per doctor. Our new caps are \$380,000 for specialists and \$300,000 for general practitioners.

**1640**

**Mr Martin:** I hear what you're saying, but if anybody for a second thought that the doctors, after the fight they've put up for the last year and a half, were going to walk away from the table agreeing to a deal that gave them nothing — I mean, has that ever happened in your experience of negotiations?

**Hon Mr Wilson:** The thing is we got rid of the clawback.

**Mr Martin:** That a negotiating team would walk away from the table and recommend unilaterally to their membership that they agree to this when in fact there's nothing in it for them?

**Hon Mr Wilson:** You'll recall that as part of negotiations we threatened not to pay the CMPA, so yes, they were happy to get it back. We went through two years of very public negotiations with the doctors, but I think they were very happy to get back some of the things they had gained in previous agreements, which is what they got back and not a penny more in some of these areas. Their big demand was to get rid of the clawback, because it doesn't make any sense. It doesn't make any sense to this government; it makes no sense to any other government in Canada except BC, which now is doing a bit of a clawback. They don't like it, but they're doing it. To claw people's gross billings back after they've rendered services to patients is a crazy way to run a system. They don't want to have the clawback, but in exchange for that we lowered their caps.

**Mr Martin:** Your arithmetic and my arithmetic and the people who put together the numbers — they're not just the research people in our caucus; I'm sure the Liberals are finding the very same thing — there are folks out there who are distant from any political persuasion who are saying quite differently, that in fact, as I said before, the increase to the cost of health care in the province — I said before as well that if you have to reach an agreement with doctors that recognizes the contribution they make and gets them back into the hospitals and into their businesses in the way we think they need to be to deliver first-class, quality health care, it's costing you \$362 million extra in the first year, \$424 million extra in the second year and anywhere from \$460 million to \$1.2 billion in the third year of the agreement.

You said earlier you were going to put some more money in. The question still is, are you going to put that much money in —

**Hon Mr Wilson:** No, because that's not the cost of the deal.

**Mr Martin:** — or is it going to come from someplace else in the system?

**Hon Mr Wilson:** Mr Martin, you can make up any figures in the world you want. If you believe them, fine,



but I'd invite you to read the agreement. Do the math yourself. Don't rely on your researchers who are trying to put some spin on it up to \$1 billion.

**Mr Martin:** This is the math —

**Hon Mr Wilson:** No, it isn't the math.

**Mr Martin:** — and the sad part of it is that as this works its way down into the system, we begin to see the outcomes. The stories are legend now across the province, of people dying in corridors, people dying in hospitals in a state that has never been seen before, people in hospitals — I've seen it myself first hand — calling for nurses who are worked off their feet, who can't get to them because they have two or three other things they need to do before they get there, a deterioration in the quality of health care in this province, unprecedented, under your tutelage and your direction.

I don't know where you've living, Jim; I really don't. When you were on this side of the table, you could tell the stories. You were out there, you were talking to people, you were in your constituency office and hearing from folks in a way that certainly was critical of what we were doing. We accepted that and tried to correct some of the shortcomings, but we can't even get you to accept that a lot of these things are actually happening. I'm under the impression that sometimes you think we're making these things up.

**Hon Mr Wilson:** Mr Martin, you don't have a corner on talking to people. I've toured far more hospitals probably than you'll ever tour unless you're Minister of Health. That's my job. I talk to people every day. That's all I do.

**Mr Martin:** Maybe you're talking to the wrong people.

**Hon Mr Wilson:** I don't have a life beyond being health minister, unfortunately, and I do riding appointments every Friday and Saturday in my office in Alliston and Collingwood. So you have neither a corner on compassion nor a corner on talking to people.

Yes, we're going through a period of change in the system. Given that restructuring has not occurred, it is on the drawing boards right now, given that we've not gone into it, when I hear complaints now, it tells me more than anything that the status quo is not acceptable and that we have to change the system, as the experts and the nurses and others have been telling us to do for years.

You talk about politics. The easy politics would have been to do what everybody else did in this office, and that's nothing about restructuring. Unfortunately, you sent out, at a cost of \$26 million, at least 30 district health councils that produced about 60 different studies that began to come on to my desk as health minister in August-September 1995. They were just coming in. There was no plan left behind, either with the bureaucracy or there didn't seem to be any political plans left in the books on what you were supposed to do. Well, that was great. You spent your five years doing what the Liberals did. The Liberals sent them all out, beginning in 1986, to do these studies. The studies all came in. You said, "I don't want to make any decisions about hospitals or anything, so let's send them all out," at a cost of \$26 million, which, by the way, buys you one heck of a pile of dialysis services and heart surgeries and everything else.

Given that we were the last province to go through restructuring, given that we felt we could do it with the good advice of the experts and we absolutely — you're making the case yourself that it's necessary. We've got lovely buildings with beautiful atriums, but there are fewer and fewer services. We need to concentrate on community-based services. They were going to continue to be the poor cousin if we didn't dramatically restructure the system. Survey after survey has shown that seniors would prefer to stay in their homes, where it's appropriate, for as long as possible, so you had to change the system.

The easy politics would have been to do nothing and to somehow bluff our way through the next three or four years, but it wouldn't have been morally or ethically right, and you would have seen an increase, I think, in the number of complaints in the system.

We are going through a transition now. I can guarantee you at the end, though, we're going to have a better health care system and more dollars focused on front-line services and those providers and the patients and away from administration and the duplication and waste that's in the system now.

**Mr Peter Kormos (Welland-Thorold):** Minister, I'm compelled to raise a matter that was addressed by me in members' statements today and then by Mr Kennedy and Mr Duncan in question period, and that's about the illegal billing on the part of some doctors. I have before me an article by Sharon Kirkey, *Southam Newspapers* out of Ottawa; it happened to be in the *St Catharines Standard*. I also have a letter from a doctor's office in Niagara and the letter reads:

"Dear Patient:

"As you know, most of your medical needs are covered by the Ontario hospital insurance plan. However, more and more services are provided that are not covered. Accordingly, the Ontario Orthopaedic Association has recommended that all Ontario orthopaedic surgeons implement a surgical administrative fee to be paid by the patient."

Going on, "If it is decided that surgery is required... you will be required to pay a surgical administration fee of \$50 per procedure."

"A significant amount of professional time is required on your behalf in connection with the surgery which is not compensated by OHIP. Examples are arranging hospital beds and operation room time, arranging surgical assistance, consultations, blood work and EKGs."

It requests the patient to sign that, indicating that he or she understands that.

To be fair, in this particular case the constituency office resolved this with the doctor. My constituency office has also filed a report with the College of Physicians and Surgeons with respect to another and we trust that they're dealing with it appropriately, and all that's fair and good.

Having said all of that, my constituency office and I are very concerned that merely putting the onus on the patient to report this isn't good enough. Patients are sick, patients are elderly. They're afraid to complain in case their surgery is going to be cancelled or delayed even further. Orthopaedic patients, who as you know, already

have lengthy waiting periods, are concerned about even further delays if they don't effectively grease the doctor, because that's what, at the end of the day, this amounts to. It's reminiscent of the horror stories we heard out of the old Soviet Union, for instance, which may be even worse now. They may well be worse now, I suspect in fact they are, but some of the horror stories we heard out of those parts of the world.

The letter that was sent that the patient was required to sign strikes me as one that had its origins somewhere, not quite a chain letter but it seems that doctors have probably been passing along form letters as prototypes of what they might have patients sign. That's just a suspicion. I have no evidence to substantiate that, but the way it reads — it's very well written. Doctors are good at many things but one thing they're not good at is drafting correspondence, by and large. You know that. They aren't and you know that.

1650

**Hon Mr Wilson:** I didn't say that.

**The Vice-Chair:** Your question?

**Mr Kormos:** Have you been able to track down the source, not only of this practice, but for instance the form material that goes along with it? I guess the first question is, have you been trying to track it down, and second, have you been able to track it down? Does it have a source somewhere?

**Hon Mr Wilson:** I can't answer the specifics of that letter, but we'd be happy to have the investigators at OHIP look at it.

I don't know a better system. If members have suggestions, I'd appreciate knowing about them and we'll come up with something better. I can't predict what every doctor is going to type out on his word processor and send to his patients. Right now the rules are very clear — they weren't clear in the last five years — of what's permissible and isn't.

Quite a few months ago the College of Physicians and Surgeons drew a line in the sand of what is acceptable and what isn't. That's been communicated to every doctor in the province. It is the subject of their recent Dialogue magazine once again, and it's been in there, as you know, many times. I think the member from Windsor was reading that out in the House today. So that's the college itself.

The Ontario Medical Association has taken a very responsible and stern approach to this and they've made it very, very clear to doctors. For instance, a surgical administrative fee just wouldn't be acceptable. The fee code is not just for the actual cutting or whatever. It contains money there for the consultations that occur before and after surgery, for the paperwork that has to be done. That's all built into the fee code, and doctors know that.

I think what we can do, and it's part of the recent OMA-government agreement, is work closer with the doctors to try and get at, as I was saying yesterday, some of the perceived or real unfairness and make adjustments to the fee code. Remember, the doctors had that since 1993. You gave them the entire schedule of benefits unilaterally and they could change fee codes within the

global budget whatever way they wanted. They didn't make any changes at all. We've made the only change in the past umpteen years to the fee schedule, and that was we gave a 30% raise to obstetricians last year because we felt they were not paid enough for the services they had to render compared to other doctors.

We are doing a thing called relative value scheduling right now to try and bring some fairness so that doctors who feel they're not getting paid for their administrative work versus other colleagues who are getting paid, maybe we can bring some fairness to that in cooperation with the doctors.

Again, it's a complaint-based system. We want to know about it. Please, any cases you have, phone them in to OHIP. We have 1-800 lines across the province and every case, I'm assured, is looked at. If it's not resolved at the Ministry of Health level — the doctor is contacted, for example, told it's inappropriate, that in the opinion of the general manager of OHIP it's inappropriate. Most of it is solved there. Most of the doctors say, "I didn't know," or something. We deduct it from their payments, their monthly cheque, remittance statement. If they rip someone off 50 bucks, we take it off there. There are no questions asked here, it's just done, and then we reimburse the patient when we have all of that information.

If it's something more serious than that where we don't get the cooperation of the doctor or whatever, it is referred, as a disciplinary case, to the College of Physicians and Surgeons. They take it from there in their quasi-judicial process.

**Mr Pettit:** In my riding of Hamilton Mountain — beautiful, panoramic Hamilton Mountain, I might add — roughly one in four or four and a half of my constituents are seniors. They have, and I believe rightfully so, valid concerns about the restructuring and reinvestment, exactly what's happening, where the dollars are going type of thing. I would hope, and I know they hope, and I'm hoping you're going to tell me, that one of the key forces driving your reinvestment strategy is to flow dollars to compensate for the changing demographics and a growing and aging population. Can you cite for us any examples of what the ministry is doing in terms of funding services or organizations to compensate for these changing demographics?

**Hon Mr Wilson:** I'll mention a couple that come to mind. One is the doctors' deal. After many years, finally government has recognized the case they've been making, but second, we changed the funding formula for hospitals — yesterday I asked that the formula and its contents be tabled for the committee — to recognize growth and aging in demographics in the catchment areas they serve. That's why we've put several million dollars — I forget. What are we up to in terms of growth funding? We did \$25 million the first year.

**Ms Margaret Mottershead:** Twenty-five again, repeated, plus another \$31 million.

**Hon Mr Wilson:** We've put about \$84 million back, targeted into high-growth hospitals around the province, which is a first. If we hadn't looked at the formula they would have continued to be funded on their historic funding base, which many of them complained for years didn't have any rhyme or reason to the new population



and all the subdivisions that had popped up and that sort of thing.

It's not just growth. I've often used the example of Barrie where it's also the needs of the population. We don't fund on a per capita basis, as you know, because that wouldn't make any sense in health care, although the argument is often used, per capita. We use it to compare ourselves with other provinces because it's a simple comparison, but a population of seniors — for instance, let's use Barrie versus Wasaga Beach, where I live.

The permanent population of Wasaga Beach is over 70% seniors. They require three, four, five or six times more money per person for health care than a population like Barrie which is essentially a young population where the greatest demand is obstetrics. They're in the baby stage of their life; young couples having babies. So we do fund now, and are doing a better job all the time refining the funding tool with the joint policy and planning committee. I don't set the funding formula. I just set the general direction, which is, "Hey, folks, we can't just keep funding hospitals based on what they got last year," and you give them plus or minus a bit more. We actually have to look at what is the population they're serving.

There are two examples off the top of my head where you can assure seniors we're targeting the money to those populations that we know will need the health care, because anatomically they're at that stage in their life where they're going to need more care than someone my age, for example, who is quite healthy. Maybe the deputy has other comments on that. She knows our funding formulas.

**Ms Mottershead:** The other areas are in cardiac care and dialysis, areas like drugs, where we don't actually fund directly to a transfer payment and its individuals, for example. We do forecast what the demographic change is likely to be. We know that 7,000 people a month turn 65, for example, so that is built into our estimate of what the drug plan would be. Those are examples.

Also in hospitals, in the growth, it wasn't, if you notice, GTA-targeted. It was growth anywhere in the province where it exceeded a provincial average and therefore that was taken into account. Also, in the basic hospital methodology we look at the issue of the aging population and changes in demographics because we do a review of each case in a hospital and apply a methodology to it so that we know what the expected costs should be, given those changes in population needs.

**Hon Mr Wilson:** The last example, Mr Pettit, is we've moved to levels of care funding in our long-term-care facilities too. Now, rather than just a flat rate per client, which is the way it was prior to the introduction of Bill 101 — the NDP brought the legislation in but they never applied it because they ran into union difficulties and all kinds of problems — a team of nurses from a home down the street or from another town goes in at least once annually and actually assess the care needs of everybody in every bed.

1700

There's a funding formula now that's adjusted to the actual levels of care required. What was happening very clearly was some of our homes were not accepting the heavy care patients. If it's a flat rate, then why would

you be bothered taking Mrs Jones who needs a lot of care when you can find perhaps another Mrs Jones who needs less care and the government's going to pay you and you can make a profit even though you're called a "not for profit," which is a misnomer by the way, in the province.

Now there's actually an incentive. I met with one of my nursing homes — and I don't think they'd mind me using their name, the Collingwood Nursing Home — two Fridays ago in my riding appointments, indicating that they were wondering how they'd get more — it was kind of a strange appointment — higher-level-care patients because it's worth more money to them now.

I said: "Don't talk to me. Talk to the new community care access centre in Barrie and let them know. That's where everybody goes now. You phone the one number in your area, because the placement coordination is there and long-term care is there. You phone that number and as a provider you should phone them and say, 'Look, we want your next heavy cases that live in Collingwood.'"

That's an entirely different attitude than the system created. You're not bad people in the system, but with the system before, when you paid strictly on a flat rate, there was no incentive to look after people with high levels of care. Now there is because the dollars match the level of care required by the actual client.

**Mr Wayne Wettlaufer (Kitchener):** Minister, I want to talk about mental health, but before I do there's something else I want to ask and that relates to employee benefits in the ministry. To help you, that's on page 22. I was just wondering — because the media are going to get hold of this and I'm going to be asked this question back home — about the reasons for the dramatic increase in employee benefits. I think I know the answer. I think it's related to termination because I see a dramatic decrease in the salaries and wages. Am I correct in that?

**Hon Mr Wilson:** The deputy will have to explain employee benefits because it's an area where as minister you don't have any discretion. There are collective agreements and Management Board does that and those negotiations, but I will know that our savings would have been higher in the Ministry of Health in terms of administrative savings, because we are restructuring ourselves just like we're asking our partners out there to do, but we did absorb and decide to fund, like it hasn't been funded before, the seniors secretariat. So when Mr Jackson came over, they went from a relatively low funding in a shell ministry to — Cam now has substantial responsibilities, and all of that is included in the Ministry of Health —

**Mr Wettlaufer:** So there are additional employees and employee benefits in there.

**Hon Mr Wilson:** We're down in employees, net, but we would be — if you're comparing last year's estimates to this year's, I'd just ask you to keep in mind that there were some additional costs with the seniors secretariat. We got a little bit from that old ministry, in fact we've got a little bit from every old ministry because there are about 10 ministries that don't exist today, and all of that money and more has gone into the health care budget. But employee benefits is a very good question. I'll ask the deputy to comment on that.

**Ms Mottershead:** It's an adjustment that was made due to the actual requirements of the ministry both to

cover off things like severances, to cover off a pension adjustment because of a holiday that was taken during the social contract and now the requirement to put that back in. So it's a number of factors.

**Mr Wettlaufer:** Okay, great. Going to mental health, which is an area that concerns my riding as we are having some mental health patriated, there are actually two pages; we'll use 102.

Is it safe to say, first off, that you do not have interim actuals before you when you're preparing the budget figures? Am I correct?

**Ms Mottershead:** We don't have the actuals. That's why we call that column the interim actuals because the books haven't been totally finalized.

**Hon Mr Wilson:** We know up to a point in the fiscal year, and then we have to sort of project the last months.

**Mr Wettlaufer:** Okay. So you are doing the estimates in January, perhaps, or December.

**Ms Mottershead:** January, February, March.

**Hon Mr Wilson:** You don't get much of a holiday and you start almost after the budget. The one year's tabled; you're almost into the estimates process for the next year.

**Mr Wettlaufer:** I had a reason for asking that particular question because it was pretty obvious to me that the Liberal critic for health didn't understand what was going on in that respect.

In mental health, there is an increase in the estimates to the tune of \$34 million. How much of this would be going to research, to organizations like the Alzheimer Society or to manic-depressive, paranoia organizations, something along that line? Do we know that?

**Hon Mr Wilson:** We would know it right down to the dollar. I just don't know if we have it with us today.

**Ms Mottershead:** We will be providing in this year, 1997-98, \$444,000, almost \$445,000 to the Ontario Mental Health Foundation that does all of the coordination of —

**Hon Mr Wilson:** That's on page 112.

**Mr Wettlaufer:** Okay.

**Hon Mr Wilson:** It's part of the detail breakdown.

**Mr Wettlaufer:** That's for research?

**Ms Mottershead:** That's for research. That's what the foundation does primarily and only in the area of mental health. We have a research budget with about \$34 million that is in the ministry administration end of things and we fund a number of organizations, research institutes, the universities, to do specific kinds of research. I couldn't tell you off the top of my head in terms of that \$34 million precisely how much goes into Alzheimer research, for example, but we can get you that information.

**Mr Wettlaufer:** It's okay. I was wondering how much of the \$34-million increase in mental health spending was going to research, and in actual fact none of that \$34 million increase is going to research because there is another area under administration that covers that. Am I correct or are you talking program administration?

**Hon Mr Wilson:** It's a little tricky because some of our programs involve services to clients too, of which there is a research component. Many of our community investment fund announcements — the Clarke Institute is a good one — but even when you hear a crisis response team, sometimes in the proposal they'll have an evaluation

unit built in and we'll pay for that too. We're very interested in what the outcomes are. So it's not that cut and dried. There is a research line item in the administration budget but I don't want to mislead you there; that's for a number of ongoing research projects.

**Ms Mottershead:** Can I just clarify in terms of, on page 112, that \$205 million does include the Ontario Mental Health Foundation budget, so that \$445,000 is part of the overall budget, so there is in fact research activity going on in addition to patient care.

I just want to pick up on something the minister said, and that is that a number of our psychiatric hospitals, for example, are teaching hospitals affiliated to universities and in that context when they have a professor, a psychiatrist-in-chief, they use some of their clinical work and apply some research to that, so that while you're looking after a patient and prescribing certain treatments, those kinds of things can get documented and used as part of research activity to better help people with schizophrenia and other things like that.

1710

**Mr Wettlaufer:** So this \$34 million is an actual layout of extra moneys for treatment; that's over and above any increase in moneys for research?

**Ms Mottershead:** Yes, it is.

**Hon Mr Wilson:** That \$34 million went to proposals that are primarily treatment. What we're saying is, on examination you may find that they built in a bit of research but usually it's an evaluation portion, which makes sense, because we now demand and want to know what we're getting in terms of outcomes for the money.

Research is a good one, because I think for the first time in many years we had some outside people like Vandna Bhatia from MDS and a team of people come in —

**Ms Mottershead:** Duncan Sinclair.

**Hon Mr Wilson:** — and Duncan Sinclair prior to being appointed to the commission — actually in my first few months in office and find out what we were doing for the \$40 million worth of research. They made a number of recommendations and we've been implementing those.

God love them, but previous governments were doing healthy gardens as part of research in community health. While healthy gardens are, I'm sure, important, I don't think they should be coming out of the health budget when we have had and continue to have — and we're working on it — huge waiting lists for other services that I think should receive a higher priority.

We've done a lot of work to get some outside advice and to better target our research dollars. Today I can tell you we're very confident that the money's going to very good and reputable researchers and institutions that will help us create a better health care system and better health outcomes for the province. We've tried to get away from grants just because you applied, which is somewhat the way business was done in this province for many years.

**Mr Wettlaufer:** That's great, thanks. Just one last thing as far as the deputy is concerned: If you could get me a breakdown as to the amounts of money that we're



flowing to these organizations for research, I'd appreciate that.

**Mr Kennedy:** We were discussing hearing from the minister — and I know it certainly has been a concern to a lot of seniors when they were confronted with a \$100 copayment and then charged for it a second time within eight months. Both situations raised a lot of concern among seniors' organizations, the people they talk to. Anecdotally they heard about a lot of problems. They wondered whether or not your ministry had done any studies in advance to know what the consequences would be of imposing this. We had a drug program that didn't make those charges, and after 20 years of that, you imposed it.

You referred to the ICES report. I wonder if you could tell us a little bit about the scope of that report. Which seniors were actually interviewed and asked if they had difficulties with the copayment? How many people did they talk to in that regard? Did they talk to seniors resident in long-term-care facilities? Did they deal with people who were paying the \$2 copayment, low-income seniors? Was that all part of the study that ICES did?

**Hon Mr Wilson:** I don't want to pretend that I can explain to you the methodology used by Dr David Naylor, other than to say he's absolutely world-class and he did a very legitimate study and the committee should have him in. His conclusion was that copayments in this province are not a barrier, although in the study he indicates that he'll continue to monitor this, and that's what he's paid to do, at arm's length. The institute is not a day-to-day agency of the ministry. It's scientists, it's got a bit of everything over there, and it's there to provide advice to the government, and to providers and hospitals. He gets calls every day from hospitals asking how they can do things better and he helps develop clinical guidelines and that sort of thing.

Perhaps you should ask those questions to him. I think there probably is, when I read the study — it's been a while now — a methodology section there and you'd know what the sample size was, because I know that's in the document.

**Mr Kennedy:** I apologize for the wording of it, because in point of fact no seniors were spoken to in the report. I should have made it perhaps clearer that what I was looking for was if there was anything that you knew beyond what was in the report. The report makes clear no seniors were spoken to at all. Seniors resident in long-term-care facilities, which have been a very strong source of concern, weren't even part of the study and low-income seniors weren't part of the study. The only people who were part of the study were the people for the \$100 copayment and that income group.

The ICES study said that prescriptions dropped by 14.2% and the distribution of drugs, the actual quantities of pills, went down by 6%. Minister, I want you to comment on that. I appreciate this is not intended to be a technical thing, but when we learn in that report that arthritis drugs were down by 20% in quantity, 20% fewer in the aftermath of your copayment — and it should be stressed that this study came a year after the fact, so we went into this apparently with no studies about what

could happen — did those figures bother you? What do you draw from them and, more importantly, what might you do about them?

**Hon Mr Wilson:** Let's just see what Dr Jan Hux, who's the ICES scientist who headed the study, said:

"Although there's been a marked decrease, slightly more than 14% of the number of prescriptions filled by seniors since the introduction of the copayment, it has been offset by a smaller decline in the amount of drugs dispensed, 6%. This suggests physicians have tried to limit the impact of the copayment by increasing the quantity of drugs per prescription. Some pharmacies may also have helped maintain access by waiving the copayment for low-income seniors."

There is nothing in there to conclude that it was a barrier.

Were there were studies done ahead of time? We had the experience of nine other provinces. We did a cross-country survey before cabinet even looked at the first proposal on copayments and we didn't find any evidence. In fact, because we want to be held to a measure — we couldn't find a measure in Canada — we asked David Naylor. We said: "We're going to do this copayment. Would you please, at arm's length from us, using your credibility and your institution, monitor the introduction of this copayment." That's the first study. He's going to produce one I think frequently because we welcome the scrutiny. You will not find this scrutiny in any other jurisdiction, including those headed by Liberal governments in this country.

You'll also note that he does a bit of bragging in releasing that, saying, "We're the first ones to comprehensively look at the introduction of copayments." We welcome that because we're trying to do this in a very responsible and fair way. He has a next-step section in here that says, "Future studies will further examine access to medications by vulnerable patient groups, particularly those on multiple medications and those receiving anti-psychotic agents."

**Mr Kennedy:** I think you know, Minister, and I'm sure your deputy knows, that in point of fact there was a study in New Hampshire that showed conclusively a number of things. In 1994, the study was done in the New England Journal of Medicine. It talked about seniors and about the reduction, which is also noted in this report, of anti-psychotic drugs being so severe — and there is a severe reduction in our province that is unexplained in this report. The New Hampshire report talks about it being so severe that they are actually able to pick up the cost impact on the health care system. This study that is done by Mr Naylor and by ICES doesn't do anything of the kind. But the New Hampshire study said that there's severe cost to the health system resulting from the limitations that were put on the Medicaid program there, and it's not incorporating the pain and suffering that must have been there, for example, for those people who didn't get arthritis medication because they couldn't afford it. There was 20% less arthritis medication purchased in this aftermath.

**Hon Mr Wilson:** Twenty per cent less frequency but more drugs dispensed per —

**Mr Kennedy:** No, Minister. I'll just tell you, because you're being very loose with the figures in a number of cases today.

**Hon Mr Wilson:** It's not my study. What don't you have David Naylor here and ask him?

**Mr Kennedy:** I want you to know that in the report it says very clearly on page 7 that when it comes to arthritis pills there was a 24% reduction in prescriptions and a 20% reduction in quantity. So you've been not as tight as we might wish in terms of some of the figures thrown around today. This is in the report. I gave you an opportunity to comment; I'm sorry you did not.

What I would like to know is, what will you do? You had the New Hampshire study ahead of time. You knew there was a prospect that people would be harmed by this. Your people knew this. The New Hampshire study, from the people I've talked to in the field, was well understood. It's the most comprehensive study that's taken place. It was done in 1994. Seniors have paid some kind of price, a 6% reduction in drugs. I want to know what further you're going to do. Do you have any concerns at all from the information that ICES uncovered? He refers, by the way, to the New Hampshire study and he talks about not being able to give you assurances based on what he's been able to do so far. Are you concerned, Minister?

1720

**Hon Mr Wilson:** He's monitoring it. It's the appropriate thing to do. I am not a physician, but if you have David Naylor in, he can explain that there are alternatives with respect to arthritis pills that don't necessarily require a prescription. Some of that happened apparently, where people are taking aspirin, for goodness' sake. The fact of the matter is he doesn't find any evidence — this is an open process. They are reputable scientists, and I invite the committee, or some other committee, to have him in and ask him these specific medical questions.

I want to read a letter, though, if I may, real quick, about a new anti-psychotic drug that we've put on. This is a letter to me. It says:

"I'm compelled to write to you and thank you for making the funds available that I may take Zyprexa, the newest anti-psychotic....

"I am so much better now and still improving. I'm able to enjoy going out, where before I was virtually housebound. My motivation is at a level I've not seen since I became ill 18 years ago. I'm doing volunteer work and have even made a few friends. I rediscovered reading, writing, music and drawing. I can't believe the changes taking places, which is why I'm compelled to write.

"Once again, thank you."

That's a true letter to us. That's the typed version, but it was in handwriting originally.

You mentioned anti-psychotic drugs. I'll take the opportunity to tell you that we've been adding expensive anti-psychotic drugs to the program because people need them. The seniors need them.

**Mr Kennedy:** I want to talk to you about those expensive drugs, but the fact is your spending on drugs is down this year. Your spending is down \$165 million over the last two years, and all of that has come out of the pockets of seniors and poor people.

You told us a minute ago you didn't have additional concerns, that if we wanted we could get technical information. You didn't have concerns after the first year of operation. I think that's an atrocious position for you to be taking as Minister of Health, after 20 years abruptly changing this program. It's not what we're hearing from seniors.

Minister, I wonder if you'd like to take the opportunity to apologize to seniors for having double-charged them for the eight and a half months. First of all, before you do that, because I think it's important, I'd like to congratulate you for your part in Mr Jackson's announcement yesterday. I think it's due and appropriate to seniors that they not be double-charged, that after eight and a half months they not be made to pay the copayment again and, further, they not be made to pay for part-years as they were, because that was palpably and demonstrably the source of hardship. So I want to congratulate you, but I wonder if in addition you would take the opportunity to apologize to seniors for that, because it was 71 days in coming since they told you that this was hurting a lot of people out there.

**Hon Mr Wilson:** I certainly don't mind apologizing at all. In fact, I'll be having my seniors' seminar in Collingwood on Friday and I'm sure the question will come up. I'll apologize and assure people that if there's money owing, it was never the intention of the program to have what happened. When we realized the experts had set the computer program up slightly wrong, it took us 72 days to correct it, but we've now corrected it. As soon as we knew about it, we corrected it. We're actually giving a break to seniors now. When we err, we now err on their side and there's a whole period when they're not being charged the copayment. It's being credited. We're bang on to what we announced, which is that certainly no one should pay any more than \$100 a year and the dispensing fee each time, if they are in that high-income category. So I don't mind doing that.

First of all, though, I want to say, I don't have the letter here but I can remember CARP, which is the Canadian Association of Retired Persons, the day we introduced that they were here — sorry, they weren't here. I met with them about a week later, and the other seniors' groups. At the time we didn't have a seniors' minister, so I was the seniors' minister. We have letters on file, which I have read into Hansard before, congratulating the government on bringing in a long-overdue copayment. CARP said that and, I know, one or two other associations. So I didn't have any letters at that time from any seniors' groups that you've mentioned saying they were against it. I don't have any. Most seniors that I know, certainly that these associations represent, felt it was fair that they pay something towards it as long as the money wasn't going to treasury, as long as it was going back into health care, and we've more than lived up to that.

Second, when the seniors brought this to our attention, we acted immediately to make the program changes. It certainly wasn't our intent to have the foulup that we had. These things happen, and as Bob Rae said, the measure is, do you take corrective action when it's brought to your attention? We did that immediately when it was brought to our attention.



**Mr Kennedy:** I want to congratulate you for that and I won't mitigate against it. It wasn't immediate, but still I congratulate you for having done so. But seniors are not sanguine about what's happening. All the groups you've mentioned have formed a coalition and they're going to want to talk to you. They want to talk to you about the harmful impacts they're seeing.

They're not comforted by the study you referenced and the very narrow basis it was on: only computer-generated figures, no people spoken to, not looking at the range of impacts on seniors. They want to know a few things. They want to know why you keep talking about this as being the best program in the country and elsewhere. You and the minister for seniors' issues keep doing that; you said North America.

In fact, New Hampshire has a \$1 copayment program. But drug programs in the Yukon and the Northwest Territories don't charge seniors for drugs. In British Columbia seniors pay 100% of the dispensing fee but a maximum of \$200 a year. There is no fee for residents of long-term-care facilities. We charge them the same as everyone else.

In Ontario, \$200 means 16 prescriptions a year, but your own ministry average says we do 27 in terms of the cost to seniors. Clearly our program is more expensive to seniors, and at \$6.11, that's \$264 a year. It can be substantially more. In New Brunswick seniors pay \$9.05 per prescription, no deductible and no charge for seniors in nursing homes. So again, if we use the average number of prescriptions, they'll pay less than the ones in Ontario. There are also no charges in Manitoba for residents in long-term-care facilities. So we'd like to reconcile some of your statements.

This is based on a Ministry of Health and industry study. You should not be putting that forward, because seniors know better. They know you've put in the \$2 charges where there's \$1 elsewhere, where some on welfare aren't charged at all, and they know there are other people paying less per year.

**Hon Mr Wilson:** There isn't anybody else paying less.

**Mr Kennedy:** Before you answer, too often we leave the people out. Iris Johnston came down here to the media conference to help remind you — I think it was at about day 57 or day 62 or something — to really tell you that this was hurting people. On the \$100 extra that you charged her, it was the principle. She says, "The government is robbing someone who can't afford it."

She has \$6,028 for her income, so just above the level, and she has to get seven prescriptions a month. She had to pay \$500 last year out of her pocket, far more than a lot of people have to pay, maximum, in British Columbia, for example. She also, and it's something I hope we'll have some time to touch on, has to pay for medications that aren't covered by the Ontario drug benefit plan. Her total prescription drug bill is \$1,000.

This is Iris Johnston, 71 years old, and she said, "It's a case of do we eat food today or do we take our medicine." That's the kind of life change you've brought about with your introduction. She's aware intuitively of what the New Hampshire study could have told you. She says, "If I don't take my medications — I've got to do that with other tradeoffs because I've got to keep my

health or I'm going to get sicker and I'm going to end up using hospitals." She's upset.

When you talk about having the best program, you don't have the best program in the country. Other programs are less expensive to seniors and you shouldn't put it forward. More importantly, you should recognize the impact this is having on seniors. Will you agree at least that you do not have the best program for drugs in the country? Then we can start talking about a baseline of how it could be improved.

**1730**

**Hon Mr Wilson:** It is the best program by far in the country. I invite you to come to a meeting of seniors' ministers or health ministers, where a lot of them are quite angry because now their public is demanding Ontario's program.

I'll give you the comparison sheet, the provincial comparison based on 25 prescriptions and \$753 worth of medication a year, which is the Ontario average for seniors. In Ontario, for those 25 prescriptions and \$753 worth of drugs, you would pay about \$270. That includes your \$100, plus \$6.11 each time above that.

The Saskatchewan comparable figure is \$753. The deductible for seniors is not \$100, it's \$1,700 a year. In Manitoba that same pile of prescriptions that cost \$270 in Ontario would cost \$355. It's a \$130 deductible in Manitoba, plus 30% of the cost of each prescription, regardless of the cost of prescription. So if it's a \$300 prescription, they'd also have to pay 30% of that on top of their first \$130 worth of drugs every year.

In Quebec, that same \$270 basket of drugs would cost \$463; that's a \$200 deductible plus 25% of the cost of each prescription. In Alberta, that same basket of \$270 worth of drugs in Ontario and 25 prescriptions would cost \$625, or 30% of the cost of the prescription, up to \$25 per prescription. So rather than \$611, or \$2 per prescription, they are paying up to \$25 per prescription, or the first 30% of the cost.

In PEI, that same \$270 cost — and this is oranges to oranges — would cost \$370 because their copayment is \$14.75 per prescription. In Nova Scotia, the same \$270 basket of drugs in Ontario would cost \$350 because their premium is \$215 a year, plus 20% of the cost of drugs.

So we have the best program, plus you have to take into account, after you pay —

**Mr Kennedy:** New Brunswick and British Columbia, Minister?

**Hon Mr Wilson:** I don't have those before me.

**Mr Kennedy:** I do.

**Hon Mr Wilson:** But what I will tell you, though — I will compare it to any one, and I have.

**Mr Kennedy:** Minister, I have them right here and I already read them out. They cost less there.

**Hon Mr Wilson:** But you asked what you get for there. Once you pay your \$100 in Ontario — and by the way, this is only for upper-income seniors; low-income seniors pay \$2.

**Mr Kennedy:** We'll touch on that issue.

**Hon Mr Wilson:** The fact of the matter is you then have access to more drugs listed and paid for out of that plan than any other drug plan in Canada. If you add the two together, once you get your premium out of the way,

you have an extremely generous plan, to which we've added over 460 new drugs, that is unmatched anywhere in this country, and that is a fact.

We're always the first to add things — not always, but I'd say most of the time. We were the first to add Taxol, we were the first to add Zyprexa, we were the first to add all of the AIDS drugs. In fact, Dr Anne Phillips told me two weeks ago, when I was meeting with our AIDS advisory committee, that we have — she has just finished a study of all North American drug plans. I thought they were going to come in and have a list of things they need. She said, "I just wanted to have the meeting with you to tell you that you have the best drug plan in North America." That is Dr Anne Phillips who has been critical of this government and she wanted to have a meeting to tell me we have the best drug plan.

**Mr Kennedy:** Minister, that may be your characterization. It is not the best for seniors. There are a number of provinces that have better. You haven't addressed what happens in long-term-care facilities.

**Hon Mr Wilson:** Do you ever accept any facts?

**Mr Kennedy:** Only facts, Minister, not your mischaracterizations of facts.

**Hon Mr Wilson:** Why don't you believe the deputy, who's worked for 30 years with governments of all three stripes?

**Mr Kennedy:** Minister, if you're prepared to table a comparative study here, then do so, but you keep declining to do that. Even estimates figures you won't accept on their face.

**The Vice-Chair:** Mr Kennedy, our time is up and we have to move to the New Democratic Party. Mr Kormos.

**Mr Kormos:** With some trepidation.

**The Vice-Chair:** Yes, right. I'm sure you'll tread lightly.

**Hon Mr Wilson:** It's the new politics, Peter. Are you going to sit here and take it?

**Mr Kormos:** I want to get back to what we were discussing about the illegal billing. I heard what you had to say in response and again, as I indicated earlier in the House, our office has, on behalf of one of the recipients of this type of request from their doctor, filed a complaint. As of yet we haven't received a response from the college and that we understand.

Please, you've got to understand that — I'll speak here more so perhaps for Niagara than other parts of the province — there are many doctors who are not taking on new patients. In fact, some people have difficulty literally finding a doctor. People have a rapport with their doctors that may be developed over — obviously, over any length of time, generationally it's developed. And the doctors who are using or engaging in this type of illegal billing practices may, notwithstanding the illegality of that, in their own right be very competent doctors with good doctor-patient skills.

Surely you understand how reluctant a patient is — I want to get to the point of how you educate patients not to take this — to file a complaint with the College of Physicians and Surgeons. You know full well what a doctor's response to that is. Doctors don't appreciate being referred to the College of Physicians and Surgeons.

How do you respond to the proposition that it isn't good enough — we'll get into alternatives perhaps later — to simply say, "The patient should make a complaint"? It's a very difficult thing to do. Many patients are quite frankly simply going to pay the \$50 to avoid generating a conflict with their doctor. That's the long and short of it. How do you respond to that?

**Hon Mr Wilson:** It's a good question. I know my mother pays \$100 and she asked me the same question. I said, "First of all, you don't have to pay it." So maybe we need to educate patients that in spite of the doctor's demands, there's no requirement under the law to pay anything to your doctor. My mother said, "But I want to pay it because I like my doctor and he does do things for us that I know he's not paid for."

My father just went into hospital three weeks ago with pneumonia and the doctor, who is a wonderful fellow — my dad wouldn't go. He gets paid nothing for the 35 minutes on the phone with my father to convince him, "Jack, it's either the grave or go over to the hospital and get on oxygen."

He had tears in his eyes when I visited him that night, because we got the call here and I went up to Allison. He said: "You know, if it wasn't for Dr Affoo, I wouldn't be here. He spent 35 minutes on the phone with me, because Theresa" — his wife, my mother — "has no influence on me any more in these matters," even though of course she knows better and she puts up with him. But Dr Affoo spent 35 minutes on the phone — this is his story — and he didn't get paid for that.

When the \$100 was discussed, my mother said, "Look, we'll pay him the \$100, the block fee." Dr Affoo in Alliston is not sending out these other letters of nickel and diming people to death. His block fees are in line, he had them approved ahead of time, and they're for things, extra services that aren't covered under OHIP and never were covered under OHIP.

**Mr Kormos:** And there's no problem with that being illegal? That's acceptable?

**Hon Mr Wilson:** But if you have other suggestions —

**Mr Kormos:** But what I'm getting to obviously is the impoverishment, I suppose, of the response of the ministry, which is: Patients are entitled to effectively lodge a complaint, to initiate an investigation and prosecution of their doctor. You appear to understand the concern I raise, which I think is pretty universal. Why won't the ministry investigate means of detecting this practice, certainly means of educating the public? My impression is that the public isn't well-educated about this, especially when you've got certain practices like letters for insurers, that sort of thing, which a doctor can legitimately bill for, so there's a great deal of confusion there. Granted the constituency office — I'll bet you dollars to doughnuts everybody else gets calls where we've told constituents that the doctor is properly billing you for an insurance company letter, or for a back-to-work letter.

First, shouldn't there be a program? I appreciate this involves money, but if you're going to want to involve the patient in the detection process, in the reporting process, you need some sort of public education program. Then I would suggest some way where the investigation



can be initiated without the patient involvement, and appreciating that is difficult as well. I am inquiring why the ministry can't — I'll leave it at that because there's another question I want to put to you.

1740

**Hon Mr Wilson:** We do send out 3,700 letters a month, spot checks, to people to ask them if the billing — we give them a copy of the billing and a postage-paid envelope and form to send back to say, "Please verify that you had these tests at this time and that these were the proper" — there aren't dollar figures attached to it — "procedures that the doctor billed on your behalf."

By law, anyone at any time can — we don't encourage it, because every time I say this we get a flood of requests, but you can write for your OHIP records to see what doctors have put in on your behalf. So at any time under freedom of information — it's a service we provide. You don't have to fill out freedom of information forms. We just need your signature on a letter to give us consent to go ahead. We send out several thousand of those a year because a lot of people do know and they do phone in.

Doctors have been told where the line is. Their own college and the OMA has done it. There is a suggestion the deputy has: Every month when we send their remittance statement, which gives them the detailed breakdown — you should ask for a copy of the remittance statement, of course with the doctor's name and number and everything and the patient name all blanked out. They get a very detailed whack of paper with their cheque every month that has the patient number and every procedure, every little lab test that was billed for broken down by code. So we do try and verify that.

In addition to that, which they get every month, we could in the next couple of months — there's a comment section always available on the computer printout and we do that to notify them of various things — sternly remind them again that these fees aren't allowed and put a summary of the guidelines in there again. Perhaps that would help. Then we know they saw it, because the cheque's stapled to it. That's the best I can do.

**Mr Kormos:** You may or may not know that my office spoke with your staff and identified a doctor who had been reported to us as engaging in what I'm told is called bundling, and that is both charging the patient as well as charging OHIP. I have every confidence that once it was reported, and I spoke with your staff, the appropriate investigations took place. The characterization of the doctor in that case was that he had a high new Canadian clientele and that these were people for whom English was not their first language. It was a doctor who — I suppose you could call it an ethnic practice, and I'm not disparaging that at all; that's not at all uncommon for any number of professionals, be they lawyers, doctors, what have you. But here's a group of patients who in my view are particularly vulnerable. I'm not saying I have strong data to support that; I'm just using my instincts to reach that conclusion.

You've read about the criticisms of the government for its disinclination to attack OHIP fraud. You've read the newspaper reports and the critiques and the comments that OHIP fraud may be far bigger, from a variety of

sources, including doctors, than anybody ever would imagine or perceive. Don't you regard this as a special problem? I appreciate what you're saying, adding to the computer printout. I suspect there's a highly vulnerable community of new Canadians for whom English is not their first language and for whom English will, perhaps with older people, never be fully mastered. Doesn't this create yet another aspect to this that should be addressed by the ministry?

**Hon Mr Wilson:** Again, I'm looking to your advice; you're a lawyer. Most other aspects of the law work on a complaints-type-base system. You know you're not supposed to speed, but when you do the complaint is you're caught. Then the process takes. Fraud is almost 100% a complaints system. Why would the Ministry of Health be different from the rest of the legal system, I guess is what I'm saying. We have to rely on consumers being our ears and eyes. I think most people understand there aren't user fees in health care. So when they get presented with a bill we get a lot of calls. People are generally asking the question, but a few, you're right, are being intimidated or caught. To be perfectly honest, I don't know any better system than the one we have, which is give the confidence to the public that we do follow up every complaint.

The other thing is we are renewing previous governments' efforts and adding our own special impetus to get doctors off fee for service and on to alternative payment plans where they're given a salary which includes all the counselling and allows them to spend more time with the patients. You know all the arguments for alternative payment plans. We've had a very good record in a short period of time. The previous government started with the Sick Kids and some of the big institutions to get them converted. If the current round of several dozen negotiations going on across the province is fruitful, then we're going to have a record number of doctors converted to alternative payment plans where they're not sending any bills out at all.

**Mr Kormos:** I'm not going to belabour the issue, but the practice you speak of, of OHIP sending out payment invoices to patients and asking them to comment, is more designed to identify doctors who are billing without performing the services, that element of fraud, than it is doctors who are bundling. Because the recipient of that thing can say, "No way was I at my doctor's office five times last year," but if there's bundling, the patient will look and say, "Yes, I received a shot," or, "I had a medical examination," quite right, dead on. But if they were given the line of goods — I read to you what the one letter from the doctor indicated, that the \$50 fee was above and beyond the surgical fee the doctor received. So the person receiving the doctor's report or the payout statement is not going to be inclined to identify bundling; they're going to be inclined to identify the traditional fraud, I suppose, of simply scamming OHIP.

As I say, I'm not going to belabour it. You get the drift. I just suggest to you that you're going to be plagued with this issue and I would encourage you quite frankly to perhaps consider a more proactive approach on the part of the ministry. My one suggestion — you made reference to who is or isn't a lawyer, but —

**Hon Mr Wilson:** By the way, Mr Kormos, we're not alone in this. The actual enforcer of the Canada Health Act is the federal government, and they've been silent on this. What are they doing about this? It's their act, it's their enforcement. Frankly, as another way of maybe getting some help on it, we could take it up with the new federal minister and see if they can help us.

**Mr Kormos:** Well put, but it's not their essence, you understand. You know that.

**Hon Mr Wilson:** But they're the great defenders of it and yet this is happening. We're doing our best, but what will they do?

**Mr Kormos:** I'm suggesting that some specific attention to it might result in doing better. Again, at the end of the day, when a doctor defrauds OHIP he's picking the pockets of every Ontarian and Canadian. When he or she is bundling, though, they're not only picking the pockets of every Canadian or Ontarian; they're also picking the pockets of the patient. In some respects defrauding the public purse is more repugnant; in other respects whacking an individual and exploiting them is inevitably equally repugnant.

The suggestion that it be the prospect of making it a provincial offence as compared to merely a disciplinary offence is one that I wonder if the government has considered.

**Hon Mr Wilson:** It's not a provincial offence now, but the maximum penalty in discipline is loss of licence. It's not uncommon for the College of Physicians and Surgeons in severe cases then to refer to the criminal courts. The Medical Review Committee, for any type of fraud, when they feel even loss of licence isn't severe enough, if they have the evidence of intentional defrauding of the patient or system, will take that forward. Perhaps the duty is more familiar with the process.

**Ms Mottershead:** There's the MRC process, but I was interested in a comment you made about not involving the patient when in fact even with a provincial offence you have to have a mechanism for detection or reporting. Someone's got to do it. You have to have a burden of proof. You have to prove that something was wrong and then you can take the remedial action, whether that's a charge, a conviction or a fine, whatever that is. I was interested in terms of your suggestion. How could you do it without the first party making a kind of declaration?

**Mr Kormos:** I appreciate that, and obviously that leads to the prospect —

**Hon Mr Wilson:** Our lines now are anonymous too, as you know, the health information lines. And so are our riding offices; we don't go around blurring out constituents' names without their permission. Maybe we could do a better job of making sure people know it's anonymous. We just need to know the name of the doctor to follow it up. If they want to press a charge or something, obviously we would need their name, but right now we don't need the patient's name, if that helps.

1750

**Mr Kormos:** But the practice isn't clandestine. I refer to a photocopy of a document that was being signed. It was well prepared; it wasn't the hand under the table, "Slip me 20 bucks." That's why earlier, when I spoke to you about this, it seemed to be an effort to develop

schemes in the most creative possible way. My suspicion — and only a suspicion — is that doctors don't sit in their offices and think these up all by themselves, that these travel the circuit or travel through the culture in almost a samizdat type of way. It seems to me that in view of that tendency for it to travel throughout the culture, for instance, physicians should be encouraged to identify this sort of misconduct among their peers.

**Hon Mr Wilson:** You know the general law on fraud, though: Every citizen is obligated to report it. They're obligated today just as sure as heck as you and I are obligated as citizens to report it.

**Ms Mottershead:** Were you addressing the issue of whistleblowing, having the profession do that?

**Mr Kormos:** Yes, and reinforcing the professional duty to whistleblow, as some other professions have. It's an unpleasant prospect, I acknowledge that, but too bad, so sad, because we're talking about some particularly repugnant activity. It's not being done in a clandestine way; it's being done very openly. Doctors are trying to be clever about it to try to circumvent what they perceive as hardship under the current billing practice.

In any event, because we haven't got a whole lot of time, we can talk about another area of concern, especially for those of us in border communities. All of us are well aware, and many of us have made applications to the ministry and conducted appeals, of constituents who have incurred out-of-province health expenses. We understand the terribly strict interpretation that's given to the rare concession for out-of-province coverage — I'm talking about post facto; I'm not talking about advance permission — the almost impossibility, because the panel interprets the law very literally. I have no quarrel with that.

Those of us in border areas like Niagara region, like Windsor, have large communities that understand, are well aware, if they go to Florida as retirees, let's say, for a month, of the need to get out-of-province health coverage. However, because of the nature of the border, obviously Ontarians near borders cross the border for an hour, an hour and a half, two hours. I don't advocate cross-border shopping, but the reality is that it's something of a pastime for a lot of people, or just for the social activity.

All of our constituency offices in border communities have encountered them, more frequently among seniors, who are prone to, let's say, heart attacks, those types of medical crises. I'm concerned about them, and quite frankly the concern isn't just with you or this government. Previous governments, in my view, have failed to adequately advocate and advertise and remind people of the need for out-of-province health coverage not just for the protracted trip, which most Ontarians now know about, but for even the 15-minute or half-hour or two-hour visit. I'm asking you as Minister of Health, why wouldn't the ministry consider addressing that very specifically and educating the community with respect to the need for one-hour or two-hour coverage?

**The Vice-Chair:** Minister, you have about two minutes.

**Hon Mr Wilson:** To give credit where credit is due, your government probably did more on that, and all that



is still in place. I know if you formally travel through a travel agent or anything like that, you get notices coming out your ears to remind you to get coverage.

**Mr Kormos:** Exactly.

**Hon Mr Wilson:** I think that's a result of the kerfuffle over the cut you made in out-of-country coverage, which we restored, by the way.

I'll ask the deputy to comment further. The last time I was at your border crossing there was a poster there. But it's only if you get pulled aside to be inspected that you actually get into the office to see the poster. There may be other things we can do in terms of getting the word out.

You're right, it's a lot of people, including business people who think they have it covered under their corporate policy or something. In fact, the other day I was asking; I don't know whether MPPs are covered on our business trips. We used to be. I've got a call in to the benefits section to find out. We used to be covered for up to two days on business.

**Mr Kormos:** You don't have a problem; you've got a ministerial credit card.

**Hon Mr Wilson:** I'm sure you'd say something if I put a heart operation or something on it.

**The Vice-Chair:** On that note, our time has gone by so quickly and so friendly.

**Mr Grimmett:** Mr Chair, may I just alert all the members of the committee that the health minister is not going to be able to be here next Wednesday, as I understand it, June 18. He has another meeting that is going to preclude his attendance. He'll be sending his parliamentary assistant that day.

**The Vice-Chair:** The minister will be here next Tuesday. All right, we will convene next Tuesday.

**Mr Kennedy:** Mr Chair, is it possible for us to inquire to see if the Premier's office will be ready to perhaps substitute for that day, as that is next? They were expected to be ready for the 18th from the beginning. Perhaps we could swap them if the minister is available the following Tuesday.

**Mr Grimmett:** The plan is to have the parliamentary assistant for the health minister here next Wednesday.

**The Vice-Chair:** Mr Kennedy, Ms Singh will just clarify what we have to do under the standing orders.

**Clerk of the Committee (Ms Rosemarie Singh):** You're required to look at the estimates in the order they were selected. If you chose to look at them out of sequence, you'd have to get a special order of the House.

**Mr Kennedy:** Also, would the committee be interested in having the minister available and forgoing next Wednesday's session?

**Hon Mr Wilson:** No. You'll live another day without me.

**Mr Grimmett:** We would like to proceed on the 18th.

**Mr Kennedy:** No, I'm having fun. I don't know what I'll do without the minister.

**Hon Mr Wilson:** I won't be here.

**Mr Grimmett:** We would like to proceed on the 18th with the parliamentary assistant, who will be able to deal with questions.

**The Vice-Chair:** We will see you next Tuesday. Thank you.

*The committee adjourned at 1757.*





## CONTENTS

Wednesday 11 June 1997

<b>Ministry of Health</b> .....	E-853
Hon Mr Wilson	
Ms Margaret Mottershead	

### STANDING COMMITTEE ON ESTIMATES

**Chair / Président:** Kennedy, Gerard (York South / -Sud L)

**Vice-Chair / Vice-Président:** Bartolucci, Rick (Sudbury L)

Mr Rick	Bartolucci (Sudbury L)
Mr Marcel	Beaubien (Lambton PC)
Mr Gilles	Bisson (Cochrane South / -Sud ND)
Mr Michael A.	Brown (Algoma-Manitoulin L)
Mr John C.	Cleary (Cornwall L)
Mr Ed	Doyle (Wentworth East / -Est PC)
Mr Bill	Grimmett (Muskoka-Georgian Bay / Muskoka-Baie-Georgienne PC)
Mr Morley	Kells (Etobicoke-Lakeshore PC)
Mr Gerard	Kennedy (York South / -Sud L)
Ms Frances	Lankin (Beaches-Woodbine ND)
Mr Trevor	Pettit (Hamilton Mountain PC)
Mr Frank	Sheehan (Lincoln PC)
Mr Bill	Vankoughnet (Frontenac-Addington PC)
Mr Wayne	Wettlaufer (Kitchener PC)

**Substitutions present / Membres remplaçants présents:**

Mr Jim	Brown (Scarborough West / -Ouest PC)
Mr Peter	Kormos (Welland-Thorold ND)
Mr Tony	Martin (Sault Ste Marie ND)

**Also taking part / Autre participant:**

Mrs Marion	Boyd (London Centre / - Centre ND)
------------	------------------------------------

**Clerk / Greffière:** Ms Rosemarie Singh

**Staff / Personnel:** Ms Alison Drummond, research officer, Legislative Research Service



# Legislative Assembly of Ontario

First Session, 36th Parliament

# Assemblée législative de l'Ontario

Première session, 36<sup>e</sup> législature

## Official Report of Debates (Hansard)

Tuesday 17 June 1997

## Journal des débats (Hansard)

Mardi 17 juin 1997

Standing committee on  
estimates

Comité permanent des  
budgets des dépenses

Ministry of Health

Ministère de la Santé



Chair: Gerard Kennedy  
Clerk: Rosemarie Singh

Président : Gerard Kennedy  
Greffière : Rosemarie Singh



### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Tuesday 17 June 1997

*The committee met at 1536 in committee room 2.*

## MINISTRY OF HEALTH

**The Vice-Chair (Mr Rick Bartolucci):** Can we bring this meeting to order. The rotation will continue in order. We left off with the NDP last day. They had used their time. We will move to the government side for their 20 minutes.

**Mr Trevor Pettit (Hamilton Mountain):** Good afternoon, everyone. I'd like to ask you, Minister, a little bit about cancer, if I might. Cancer is a disease that affects the lives of all of us in this room. We always hear and have concern and are reminded about the fight ultimately to find a cure for cancer. You recently announced the creation of Cancer Care Ontario. I wonder if you could elaborate to the committee a little bit about what Cancer Care Ontario is and how you expect it will change the way cancer services are delivered and anything else the ministry is planning to do to help in the fight against cancer.

**Hon Jim Wilson (Minister of Health):** Thank you, Mr Pettit, Mr Chair and colleagues. I'm pleased to answer that because the Premier made an important announcement on April 29 of this year, adding a \$16.5-million reinvestment first of all overall to try to launch Cancer Care Ontario. It is a good attempt to coordinate cancer services, to make sure that when someone is afflicted with cancer they and their loved ones, their doctors in particular, and their health care providers will soon experience a seamless system for care. Right now one of the major complaints you get from patients, people who are diagnosed with cancer, is that it's very difficult to make your way through the labyrinth of services that are available. We have very good services in the province but they're not coordinated as well as they could be.

Cancer Care Ontario is an umbrella organization to try and bring together the Ontario Cancer Treatment and Research Foundation, working with the Princess Margaret Hospital, with the other components in the system. I'm thinking particularly of the Ontario breast screening program, which is one of the programs that's offered. Ideally we would like to see almost a buddy system, where our regional cancer centres in the province are the referral centre or the centre for information for people and that people aren't left to make their own doctors' appointments when diagnosed. Ideally we're working towards having the computer technology in place so that your record is kept and shared by the appropriate people throughout the system. You get your radiation in a different place, often, from your chemo and depending on where you live in the province, you first go to your general practitioner.

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mardi 17 juin 1997

We're also working to improve the guidelines in the early detection of cancer through doctors and trained nurses in our Ontario breast screening program, for example. Essentially Cancer Care Ontario is a way to bring everyone together under one roof and make sure we're all pulling on the oars in the same direction. But because it is a very significant initiative, and our deputy minister has had a lot to do with it, I'll ask Margaret Mottershead to comment further on it.

**Ms Margaret Mottershead:** Cancer Care Ontario is a provincial agency. Its mandate is going to involve education, prevention, research, teaching and treatment. Currently you have the Ontario Cancer Treatment and Research Foundation, which actually runs the eight regional cancer centres, and the eight regional cancer centres provide for radiation primarily. They are linked to host hospitals in their area and they try and connect, once a diagnosis is made, with other clinical programs that are available in the hospitals like cancer surgery, and once there's surgery, they may go on to radiation treatment.

However, the effort of Cancer Care Ontario will be to go well beyond what their mandate is currently, and that is radiation treatment and systemic treatment like chemotherapy, to develop guidelines that will actually link all the players the minister spoke about, particularly doctors. Doctors who diagnose cancer are not always aware of what to do exactly with a particular type of cancer. They need backup. They need to be linked to oncologists — these are the specialists in the area of cancer — and start a whole teaching program for community primary care physicians in dealing with these kind of things. They will be developing guidelines; they will be developing networks. The regional cancer centres will have a much broader mandate and they will try and develop agreements with a whole number of players, including hospitals, community physicians, community care initiatives like palliative care, and bring everybody in a network to create a seamless system of cancer care services for each part and region of the province.

**Mr Pettit:** Can I make a comment? There was a story roughly a month ago in the Sun, I believe it was, about comparing the \$24 million or \$25 million for breast screening. There was concern from the male side that very little was being put into prostate cancer. I wonder if you can tell us if there are any plans imminent or down the line to increase funding for that.

**Hon Mr Wilson:** It's an excellent question and one that was raised in my seniors seminar last Friday in my own riding. Usually the question centred around the PSA and why people continue at this point to pay \$10 to \$20 out of pocket for that PSA test.



The answer is that right now we will fund the test if it's recommended through the process by the medical experts to be a cost-effective test that should be added to the regime of testing we have. Right now the medical community is somewhat split on the issue of whether it's an effective test or not.

In the budget, and I'm just trying to think of the budget figure, there was a great deal of money set aside to address the PSA test specifically — the finance minister spoke about it in his remarks — and to do further research on it, because there's a divided medical community on whether it's an effective test. Maybe the deputy wants to comment further on that.

**Ms Mottershead:** I think people are aware of the issues with the PSA test itself. It produces too many false positive results, and people who are making decisions around the kind of treatment the patient should have are relying on a test that hasn't been scientifically accepted by the medical profession at this point. We had an expert panel from around the world that had a look at that PSA specifically, and their recommendation to us was that we should fund it for established cancers for the purposes of monitoring and following up on treatment. In our health insurance budget it is a treatment that is eligible for OHIP payment for established cancers and the monitoring of that.

The minister referred to a review that is going to continue to be conducted by ICES to determine if there are further things we could do on the whole question of prostate cancer, and together with the new Cancer Care Ontario I'm sure we will be seeing a number of initiatives come forward in the next few months.

**Mr Pettit:** Let's discuss, and you're undoubtedly aware, the physician shortage in certain parts of the province. It's my understanding that in some areas it's quite significant. Even within half an hour, an hour or so of Toronto, people are having difficulty accessing physician care. What are you or the ministry doing to address or combat this problem?

**Hon Mr Wilson:** Again a question that's top of mind for a lot of the communities. I don't think there's anywhere you would go outside of our major urban areas where it isn't raised as a concern.

One thing I think that doesn't get enough recognition, and we're very hopeful it will have the impact we need to have to address this problem, is the physicians' agreement that was recently signed between the government and the Ontario Medical Association where there is 25% discounting in the first year and a gradual discounting over three years.

If graduating physicians, residents and interns decide to go and practise in an area where they're frankly not needed, in what we call an overserved area, I think that will have an effect. People don't want to take a 25% discount, especially when they're in their heavily indebted years after so many years of medical school training. They have a lot of student loans to pay back and other things. Even though they may have been residents and interns for a few years, they usually still have quite a burden, and I don't think they would want to face the financial penalty of going to an area where they're simply not needed.

We've done a lot of things on this front. When we came into office there were initially about 65 — it ended up about 69 — small emergency rooms in northern rural hospitals. Based on Graham Scott's report, which was launched by the previous government and came in under our government, he recommended a \$70-an-hour sessional fee for physicians to be on call in these small emergency rooms for working nights, weekends and holidays and providing emergency coverage. That not only helped provide the coverage but I think it also helped to retain a number of physicians who were feeling that the extra hours and the extra effort they had to put in to serve the people of those areas wasn't being properly compensated or recognized by any government up to that point.

We now have quite a menu of alternative payment plans for physicians to try and retain them in the areas where we have them, outside of the large urban areas, and to try and attract new physicians, and we're quite flexible on the benefits that are offered.

Recently in an underserved area — it was Stratford — we announced some underserved areas like Aylmer and St Thomas, but we also announced new globally funded group practice contracts which are part of the menu now of alternative payment-type contracts, away from fee-for-service. They, for example, could contain financial incentives. They certainly do contain as a base opening bargaining position up to 37 days' vacation per year, which is very, very important. A lot of physicians, obviously in our small towns and that, if there are only one or two in town, never get a break. The burnout rate is pretty high and the stress on their lives is very high.

The Graham Scott report talked about a medical corps, and I think we can safely say today we've almost got the 20 physicians, don't we, for the medical corps?

**Ms Mottershead:** We've got a good core of them.

**Hon Mr Wilson:** We've got a good core of them. We're working to get up to about 20 and we've had good response that these would be sort of the flying wedge, I call them, who work directly on contract with us. They're available to go out to communities to do locums and to replace doctors during that 37-day period, for example, where they may want to go on vacation or do continuing medical education.

We have a whole myriad of programs, community-sponsored contracts; we work with the clerks of municipalities to see if the municipalities wanted to chip in also towards a benefit package or an enhancement package to physicians in communities.

I think it would be interesting to table for the committee our success to date because there is some very good news. There are a lot of communities that two years ago simply were on the verge of shutting their emergency rooms because of no coverage. We've covered that off and we certainly can provide that list for the committee — I think we provided it last year at this committee — or they were certainly at risk of not having adequate physician coverage, and we've been able to do some things on that front by being creative and being flexible. It's very much one-on-one, group practice by group practice negotiations with the ministry.

In the north the previous government had an economic development officer for part of northern Ontario. Which one? The east or the west?

**Ms Mottershead:** We have one east and west.

1550

**Hon Mr Wilson:** Now we have one east and west, anyway, and we're recruiting for another community development officer. That's worked fairly well because they tie the communities better into — what do we call our trade fair every year? Residents and interns, what's the tour they do?

**Ms Mottershead:** It's a recruitment tour.

**Hon Mr Wilson:** A recruitment tour. Sorry, my mind is elsewhere today.

**The Vice-Chair:** Final question.

**Mr Pettit:** All right. I wasn't aware I was going to have the full 20 here, Chair. I'll shift over to something else that's close to me. I have two young daughters in elementary school and I know you had the cross-province immunization for students. What can you tell us about plans or programs you have for school kids along the lines of immunization? Is that going to continue or are there are any other things you've got up your sleeve? Where are we headed in that direction? Anything on that?

**Hon Mr Wilson:** On the hepatitis B program, which is one we're very proud of, it's the first extensive inoculation of school children for hepatitis B ever in this province. In fact, it should wipe out that disease over the next couple of years, I think is the projection, so it's a wonderful investment in public health. We've heard from a lot of public health nurses who were quite appreciative of the program. They actually got out to the schools. Some of them hadn't had the opportunity over the past years to get out to schools as often as they would have liked. We've also moved with some other immunization programs, particularly for our seniors. But in particular for children and youth the immunization program was the big one. I'll let the deputy comment on any future plans we might have.

**Ms Mottershead:** Our chief medical officer of health produces an annual report on areas where he thinks prevention and health promotion are going to be critical. We expect his report probably around November of this year.

Clearly the focus on children, in addition to the immunization, is best exemplified through some current initiatives we're working on, like the healthy babies program, and actually having public health units identify children and families at risk and then developing whatever program is necessary for intervention or prevention of those risks. They include speech and language, they could include issues around nutrition, they could include medical services as necessary and a whole host of other social programs as well. So together with public health units, that's a major initiative around interventions for children.

**The Vice-Chair:** Thank you very much, deputy. We move over to the official opposition. Mr Cleary, will you start?

**Mr John C. Cleary (Cornwall):** Minister, I'd like to talk about dialysis. When you were in opposition you thought there were a lot of areas in the province that were neglected, yours being one and ours being one.

Over a year ago in April you announced that you would be correcting that situation, that you had selected a provider for dialysis treatment in the area. However, within a few days you retracted your announcement, and it was because we're not sure whether the ministry may have erred in picking their provider.

At this point, you promised to bring them dialysis and there has been much delay. We'd just like to know what your plans are and when you think you can finally make good on your promise.

I know the Kidney Foundation has written you many letters. They think it's very unfair that people in eastern Ontario have to drive to Ottawa and Kingston several times a week so that they can carry on their lifestyle. I would hope that you wouldn't answer me back and say you can't comment because it's in the court system. I understand there's a court date of August 25, and that's about a year and a half after you made the announcement. I'd just like you to bring us up to date.

**Hon Mr Wilson:** I'd ask the deputy minister to comment on that.

**Ms Mottershead:** I think the only response that can be given at this point in time is to state what you have just said, and that is the court case is scheduled for August 25. You may be aware that in the preliminary court decisions they were very explicit in what they directed us to do, and there was no way that the minister or the Ministry of Health could not abide by a court order, which precluded us from going on with the expansions. We'll have to wait for that 60 days before we can do anything.

**Mr Cleary:** Sixty days?

**Ms Mottershead:** Being to August 25, roughly, from now. It's another 60 days, roughly.

**Mr Cleary:** The other thing I'd like to talk about is OHIP coverage. I have been contacted many times in the past two months regarding the difficulties that constituents are having with the ministry in obtaining OHIP coverage.

To refresh you with some of the details, an elderly woman, along with her now deceased husband, signed a homesteader card in Florida. They did not realize that such action disqualified them from Ontario health insurance program coverage. As quickly as they realized the repercussions of their signing, steps were taken to regain OHIP coverage. That was back in December 1996, over six months ago. The elderly woman has been living in Ontario full-time. She already lost her husband and is fearful of her health, particularly without hospital coverage. We have called the ministry many times, and this is the third time verbally, and I would appreciate an update.

**Hon Mr Wilson:** I can't comment on individual eligibility cases at the best of times, other than to commit to get back to you with the case. It shouldn't take six months to adjudicate whether she qualifies or not. The rules are extremely clear. It usually takes about six minutes to figure it out, so there must be something to it.

**Mr Cleary:** It was December 1996.

**Hon Mr Wilson:** I'll certainly look into it.

**Mr Cleary:** The other thing I want to talk a little bit about is that many of the people in our area have to travel to Ottawa to the heart institute. The policy used to



be that you would go in there, you would get your tests and you would stay in the hospital. There is a waiting list in our area.

Last month a gentleman by the name of Mr Stanley Pitt, who has an 80% to 90% blockage, finally received word of a cancellation. On May 19, he travelled to Ottawa for blood tests and X-rays. On May 21, he travelled again for an angiogram. That evening he insisted on staying in the hospital. The doctor said that he had to stay close to Ottawa but they refused to keep him in the hospital. That meant he had to go to a hotel. We sent a letter on May 14 asking, was that the policy of the provincial government, that people had to go to a hotel when they were waiting to go into a hospital and taking their tests on account of complications.

**Hon Mr Wilson:** Certainly that's not a new policy. That's been practised for many years. My constituents coming down to St Mike's for years have been given a pamphlet saying: "Here's the Bond Place Hotel. It's \$65 a night. It's a discount rate for people who are patients of St Michael's Hospital."

That's the way it's done. When people have financial hardship with that, certainly we've looked after that through service clubs and so on in the past. So that's not a new policy.

The Minister of Health doesn't admit or discharge any patients; that's a medical decision. If they're of the opinion that the patient needs to be in a hospital bed, that's where they will be; otherwise, other arrangements are suggested.

1600

**Mr Cleary:** You say that policy has been in place for quite a while?

**Hon Mr Wilson:** I've been aware of it for many years. It's been the practice of many hospitals to do that in an effort, I think, to make the most prudent use of resources. I know my constituents get a map showing that if you live outside a certain radius from the hospital, they recommend you be near the hospital and you pay for your hotel charges. They always have. I'm not aware of any other system.

**Mr Cleary:** I happen to have had experience at that hospital, because I went there for an angiogram and they kept me overnight.

**Hon Mr Wilson:** It's not a political decision whether you're in a hospital or out of a hospital; it's strictly a medical decision. I don't think anyone would appreciate our meddling in that affair.

**Mr Cleary:** I want to talk to you a little bit about paranoid schizophrenia. I don't know whether I'm saying that right or not, but I know that an individual in our area has a son who is suffering from that disease but refuses to admit that he is ill. Under the provisions of the current Mental Health Act he is able to refuse treatment. Neither the mother nor the psychiatrist whom she has consulted can intervene. The mother says changes must be made because, as arm's length, not only mentally ill persons but their families who are trying to assist them — I know we have Bill 111 to amend the Mental Health Act and I would just like to get an update from either the deputy or the minister.

**Ms Mottershead:** Under the current Mental Health Act, you can involuntarily commit an individual if it's the opinion of the experts that the individual poses a risk to himself or herself and to others. That's there, so that determination has to be made.

Bill 101 that you referred to I believe is a private member's bill.

**Mr Cleary:** Is it Bill 111?

**Ms Mottershead:** Bill 111? Is it a private member's bill?

**Mr Cleary:** Legislation to amend the Mental Health Act.

**Ms Mottershead:** It's not a government piece of legislation. That's the point I wanted to make.

**Hon Mr Wilson:** I don't know what the status is. What's the status?

**Mr Bill Hawkins:** It's going before the justice committee.

**Hon Mr Wilson:** It's before the justice committee?

**Mr Hawkins:** It's going to be.

**The Vice-Chair:** It isn't before the justice committee yet.

**Mr Cleary:** I just wanted to ask the minister and the deputy what their opinions on that were.

**Hon Mr Wilson:** Certainly I'm personally familiar with the disease of schizophrenia — it runs in my family — and deal with it probably every week in my life, so it's not a topic I like to deal with. But there is a balance in the current Mental Health Act that tries to balance the rights of patients, the rights of families and the rights of practitioners. It is true that the triggering point for an involuntary committal to a hospital is that the person has to be in imminent danger to themselves or others, and that very much is a judgement call on behalf of the medical authorities, often working with the police and the social workers and often a complete mental health crisis team. There is no easy solution to it.

I'm just not up to speed on Bill 111 right now. I'd be happy to take a look at it. It is before the justice committee. The justice committee will deal with it and make recommendations to the government.

**Mr Cleary:** Do I have more time?

**The Vice-Chair:** Yes.

**Mr Cleary:** I just wanted to mention to you about some of the things on the overloading of emergency room staff: an 87-year-old bedridden lady on an understaffed maternity floor, patient using adult diapers soaked with urine up to her neck, ER staff had no time to change her. The OB staff sought the help of the sick lady's daughter to change the diapers and to provide basic comfort. That was a big issue. It goes on to say.... "as long as we get our 30% tax break, ha ha." That's a letter that came to me. That went on in the same room that newborns were in, and I mentioned that I would bring it to your attention.

**Hon Mr Wilson:** Please inform your constituents that the tax break has ensured that revenues are up in the province so there's more money to spend on health care and that's why we're spending more money on health care. We've closed about 10 or 11 ministries around here and every penny and more is going into health care so

that we have a record budget and we spend far more than anybody else in Canada on health care. It is the number one priority of the government and we fully lived up to and surpassed our commitments.

With respect to hospital complaints and the quality of care, the first line of complaint is to bring that to the board, which has a fiduciary responsibility to your constituents to make sure that quality care is maintained by the standards that we've set. If they don't live up to that responsibility, then it becomes a matter for the Ministry of Health and there are powers under the Public Hospitals Act to make sure the care that is required is delivered.

I certainly encourage people to contact their local boards. Don't just jump up to the Minister of Health. There are local community people who are, I think, of sincere mind and sincere heart to try to make sure that care is delivered. If conditions as deplorable as those sound are occurring in a hospital, it shouldn't occur in Ontario with the amount of money we give to hospitals. It sounds like a quality matter that the local board should deal with in terms of their maintenance in care standards on that particular ward.

**Mr Cleary:** I was bringing it here as the way the letter came to me.

**Hon Mr Wilson:** Yes, I appreciate that, but we would refer that back to the local hospital and ask them what happened in that particular incident.

**The Vice-Chair:** Mr Kennedy.

**Mr Gerard Kennedy (York South):** Minister, I'd like to talk to you a little bit about the arrangements you've arrived at with the province's doctors. Just for people's general knowledge, there was kind of an attack phase when a number of measures were brought down on doctors and when a new clawback was brought in, 6.5% in March last year. Then by November 1 it was removed retroactively as part of the interim agreement. The thresholds were first lowered and then in the interim agreement they were increased.

You didn't want to recognize the OMA as a bargaining agent. Now you've done that again. Then you wanted to withdraw coverage of the CMPA, but after the Dubin report said there were no grounds to do that, that was all restored.

It caused, as we've said here before, a lot of consternation on the part of people in this province, a whole year of war going on with the doctors, the doctors feeling under attack. Now we've come to where a deal has been signed that has significant implications for the future of doctors — and we've heard you expound on some of those — but also in terms of the rest of health care. Here is an opportunity for you to be able to give us some assurances.

For example, can you table here today how much it will cost for the interim and the final deals with the OMA on behalf of the province's doctors? What will that cost, compared to the arrangements before those deals were struck? How much money will it cost the provincial treasury? We won't get into the semantics about doctors getting fee increases or whatever, but how much will that cost in, let's begin with fiscal 1997-98?

1610

**Hon Mr Wilson:** First of all, I don't agree at all with your capsule summary of two years of my life negotiating with Ontario's doctors. On the one hand, you say it's an absolute giveaway to doctors and we didn't take any tough stances as part of our negotiating positions over the last two years and that I shouldn't have questioned CMPA; on the other hand, I shouldn't be giving them \$45 million in the deal for some of these initiatives. You don't appreciate one day and then the next day — just complete inconsistency from your party and from others.

I don't regret any of it, and I never have said a punitive thing against a doctor in my life. I was raised as a Tory to respect professionals and to try to be a professional myself and that's been my *modus operandi*. I didn't say doctors were ripping off the system. That was Dr Philip Berger. Unfortunately, one of our newspapers quoted me, wrongly, for that. You will not find anything — and I had 11 weeks to review all of the tapes and every media interview is taped — of me saying anything punitive.

The odd case came forward that got blown out of proportion where doctors were threatening to withdraw services. I have a fiduciary responsibility and an oath I took, two oaths, to do this job, to protect patient care. That is all I ever did and that's where my heart was and my mind was in every incident. I can't help it if you and your colleagues blew these things up into "Wilson fighting doctors," because that is not the case. Many doctors, including three in my immediate family, are very good friends of mine and continued to be so throughout the process. I don't regret any of it.

Secondly, this deal, as I've explained ad nauseam to you during this process and every other time you asked me — and I'd be happy to do so again — is 1.5% on a current pool of \$4.1 billion. My calculation shows that to be \$60 million. Then you do 1.5% on the new pool each year and you're into about \$100 million a year; you round it all up, include the CMPA and the \$45 million for physician initiatives to get them out to areas where they are needed to practise.

There's no more mathematics than that to be done. I challenge others who seem to come up with different figures to show me those calculations, because I've been putting up with this for weeks and I just don't know where these things come from.

**Mr Kennedy:** Minister, I've got my figures here with me today and I'll pass you a copy. But I would ask again, would you table the figures here, because what you've omitted so far is the clawback elimination. The clawback being gone, most of it for 1997-98, all of it for the following year, is an annual implication in the order of \$370 million, which you have not included in your assessment of the estimate.

The cost then rises from \$438 million this year to \$539 million next year, to \$547 million. I would concede, Minister, there are some conditional things in there. Does the CMPA go up or doesn't it? Are you able to implement the underserved areas?

But that is a vast difference, Minister, and I think you need to address for the public of Ontario the cost, because that's a \$1.5-billion cost. That's what people are



talking about. This is not mumbo jumbo. First you imposed the clawback and then you took it off. There is a fiscal implication to that and you haven't included that in the cost of the deal. It's part of the interim deal, it's part of the final deal and it's certainly part of the new threshold that you've set.

My question would be, and I would really appreciate your assistance with it, will you table the detailed figures? Secondly, will you permit a briefing with your ministry staff, which we have asked for now 17 times and not been given the courtesy of a return phone call? I think it's the secrecy that hurts your ministry. We just would like to be able to get the details. This has not been provided. We have their figures. I'll table these figures and I'll distribute them widely and I'd welcome your comment on them. But I would like you to address your own figures. Will we have them and will we have access to be able to address these questions?

**The Vice-Chair:** Thank you, Mr Kennedy. We're going to have to move to the third party now. Mrs Boyd.

**Mrs Marion Boyd (London Centre):** I'm interested in going back a little bit to the doctors' settlement because I think it has certainly raised a lot of concerns in terms of the rest of the system and I think we have to recognize that.

In the discussion that has been held over the last few days around the so-called released information on MDs with big billings — you know the "\$5 million for the top 10" kind of headline — one of the things that distressed me greatly was that the explanation that was given from the ministry official was that this may not be fee-for-service for patient care, but in fact may be because a physician owns a laboratory or a physiotherapy clinic or some other form of medical clinic.

I would like to ask you, Minister, whether you and the ministry have any guidelines around conflict of interest for physicians who are involved financially in other medical agencies to which they refer patients. I think one of the concerns we all have around utilization rates, and we talked about utilization rates quite a bit last week, one of the challenges when you have a fee-for-service system is dealing with overutilization of the system because of the obvious interest that someone might have if they were engaged in medical practice largely to make money to overuse the system.

That becomes even greater if a physician not only has a patient care role but is a financial backer and a financial gainer from other medical services such as physiotherapy services or laboratory services. I understand this is fairly widespread, that in fact financial advisers often advise the medical profession that this is an obvious good area for them to invest their dollars in. I'm just wondering if the ministry has any controls on that sort of thing, what concerns you have about what I think could be a potentially huge conflict of interest and one which is costing the Ontario taxpayer a good deal of money.

**Hon Mr Wilson:** It's a very good question and I'll have the deputy deal with the processes that are in place mainly through the regulatory colleges to deal with conflict of interest, as you know, because your government was instrumental in setting up those processes.

I would not like to leave the impression that the one article that appeared on this — and, by the way, it's an interesting story in terms of you'll know that during my 11-week absence the privacy commissioner concluded that no such document had ever been generated, and here the Toronto Star asked us to generate a document that frankly we didn't want to generate because we have never asked, and your government never did and the Liberals never did, who the top billers were. It's irrelevant to the proper management of the health care system, because it's also irrelevant, false information and a terrible story to put on the front page of a newspaper. I think its intent is awful.

Right now we're asking our cardiac surgeons to work overtime and to do as high a volume as they can stay awake to do. We're asking our dialysis nephrologists to do as high a volume as they can possibly do across the province to keep up with the demands in dialysis. We have literally dozens of billing codes that are exempt from the thresholds — and, by the way, the thresholds are significantly lower under this deal than they were under the previous government's deal with the OMA — so that a doctor could bill for all kinds of reasons, depending on their specialty, well above the \$380,000 cap for specialists, for example — completely legitimate billings and thank God they're doing it.

We have no idea from the story that was generated what the overhead costs are or whether they've delegated some of those acts to nurses in their offices and the nurse is putting the code through that billing number. It's a completely fallacious way to look at anything and it's probably why no government of any stripe has ever produced that type of record, because it's absolutely meaningless and an absolutely misleading thing to put on the front page of a newspaper. It's just disgraceful, in my opinion.

Having said that, you make a very good point about conflict of interest because you don't want people owning labs and referring patients to themselves. I'm going to ask the deputy to explain what safeguards have been set up for that.

1620

**Ms Mottershead:** Thank you, Minister. I just want to clarify another point in the story. It was an OMA official who made those remarks; it wasn't ministry.

The second thing I'd like to mention is the fact that the fee schedule itself is broken up into two components. There are fee codes that start with a P, professional fees, that involve the act of providing medicine or the procedure, and there are the T codes, which are technical codes that deal with things like radiology and laboratory testing. Basically, the section on radiology of the OMA does that kind of reading. So it's not necessarily an implicit conflict of interest. It is work they are required to do, either in independent health facilities or in hospitals, that is very technically oriented; they're not medical procedures as well. They're reading a film or that kind of work. They are legitimate and paid out of the OHIP pool and are in the fee schedule.

Having provided that clarification, I just want to let you know that we have been working with the Ontario Association of Medical Laboratories, the section on

radiology, the OMA and the CPSO on the development of specific conflict-of-interest guidelines. The colleges themselves and the RHPA, for example, and CPSO do have a specific provision on conflict of interest. However, we felt that it didn't go far enough in deterring some of the things that might be happening in the system and we in fact had worked on a regulation last fall. I'm trying to think of the timing exactly and where it is in the process to actually be more explicit on that point. I'll just check back later tonight to see exactly what happened to the regulation.

**Mrs Boyd:** I would appreciate that, because I know certainly that this is not a new problem. This has been an ongoing problem and there has been real resistance around the kind of declaration of interest in those kinds of activities that, for example, we as MPPs routinely make. If we have an interest in anything we make a declaration. I think there would be great interest for a lot of people to be sure that kind of safeguard was somehow built into the system, because the possibility of magnification, while I'm quite convinced it would be by a very small number of people, in terms of the cost to the taxpayer could be quite high and, frankly, the cost to the patient as well because the patients are constantly undergoing testing that is not necessary. That causes a lot of difficulty as well.

I wonder if, in the kinds of discussions you'll be having in the committee that has been set up under the OMA agreement, you have any way of introducing some kind of a requirement around some declaration of interest in these other operations.

**Hon Mr Wilson:** I think the deputy should handle that particular question. I'd like to comment on where I think you'd agree one of the great cure-alls could very well be information technology, where we would automatically catch the repeat tests and we'd know who's doing them and have a much better handle. Slowly but surely it is occurring. You can point to some integrated systems at the local level beginning to form and some almost formed throughout the province, and certainly you can point to some pretty good computer systems that are doing some pretty good patient tracking right now.

I'd also remind you that we do continue the practice, for many years now, where the general manager of OHIP does send out about 3,900 statements a month. Some of them are randomly generated and some of them are — if she who is in charge of OHIP suspects there's any reason to suspect a claim from a physician the patient is asked to verify that the following tests occurred, and they're actually given a statement of their OHIP account for that period of time. So there are many checks on the system now.

Every claim by a doctor is verified before it's paid. If there's any question, we don't pay. Recently governments — I'd give credit for your government as much as anything — started to get tough and say, "We're going to withhold payment for a while until we straighten out," if there's any dispute at all about a bill. So they may get half their cheque one month and there may be a bit held back while there is some dispute. Specifically, to your question, I'll ask the deputy to answer that.

**Ms Mottershead:** In the current agreement with the Ontario Medical Association there is a specific reference made to the question of accountability, both sides of the coin: the patient and the physician. I take your suggestion. It's a good place to have the conversation about what more can be done in the area of conflict of interest and how do we make sure that is eliminated to the extent it can be by any single act.

**Mrs Boyd:** Particularly when we're talking about integrated systems, we know there are different definitions of integrated systems and we know there are many physicians who are joining together in groups to lessen their office costs and that sort of thing. But if there develops a referral pattern within those groups of doctors that begins to show there is just a routine of sending somebody to your colleague who's a specialist, whether there's a particular indication of that or not, I would hope there would be some way of catching that, because when physicians talk about integrated health systems they generally seem to be talking more about physician control and physician clustering that gives them ease of referral.

I guess one of the real issues around the need for primary care reform and the need to look at how that all works is, are we having far more referrals than we really need, particularly in the large urban centres, and is it possible that the whole move towards integration in the way that many doctors appear to be doing it to save overhead costs these days could give rise to a very unhealthy referral system in some areas?

Again I would stress that I'm talking, I'm sure, about the minority of cases, because I'm not questioning the reality that most physicians are primarily concerned about patient care. But when we are talking about overuse of the system, I suspect if we are taking the kinds of steps that we're taking in terms of fraud in the welfare system — and we're assuming that it's 3% to 5% in the welfare system — we would have no reason to assume it was any less among physicians than it would be among welfare recipients, and that's a lot of money when you have a \$17.9-billion system. I'm just quite concerned that we have some real assurance that we're not being naïve about the possibility of overreferral, overtesting for patients and the result being a huge cost to the taxpayer.

**Ms Mottershead:** What we're trying to do in terms of establishing integrated systems, starting with the primary care reform, is to introduce the technology, and having the patient record as the central key information move from one provider to another, it won't be too hard to look at what kind of referral patterns are forming. Usually in communities you do have a pretty well-balanced system of referrals that are being made to all kinds of specialists. I think that with technology and also with the fact that in those communities the specialists who are losing a lot of the business would certainly know and feel it, we'd have those two sources to rely on in tracking that pattern.

**Mrs Boyd:** I wanted to talk a little bit about some of the issues that were raised last week when I was here. We were talking about quality of care and, Minister, you were saying that we are doing more procedures, more surgeries, more dialysis, more heart surgeries, that sort of thing, and that both the number of procedures and the



number of patients served is higher. You were indicating that there was no change in the quality of care.

I really need to ask you about some of your other statements. For example, in one place in the record you say that patients aren't being released from hospital earlier. In fact the restructuring commission has based many of its recommendations on the assumption the patients are being released from hospital much earlier.

The justification for having the CCACs was very much because patients are being released earlier and therefore we need to have a way of ensuring that they have care when they're released earlier. Then when we add to that the reduction in staffing in hospitals — let's not fight about numbers, but we know that hospital after hospital has had to announce layoffs of nursing and other health care workers. I'm just curious about whether it makes any sense at all for us to assume that increased load, higher level of need and fewer staff doesn't result in some lessening in quality of care.

1630

**Hon Mr Wilson:** I would say you always have to be diligent about quality and I don't think there's any institution in a community that's scrutinized more than the local hospital. There are nurses there every day, there are other front-line providers, doctors, visitors who are constantly looking at the quality. At least in the towns I represent, when you've been in the hospital it's a pretty big event these days and everybody in town knows about it. There's no better measure of quality than customer satisfaction and there's no greater set of eyes of any institution I can think of than those present in the hospital. Nothing essentially happens in our hospitals undetected in terms of quality.

Again it's a fallacious argument to put all those together and say it equals less quality. What are we supposed to do, keep someone in for 10 days for a gall bladder operation that only takes a few minutes now — sorry, an hour, an hour and a half — and they're ready to be discharged in 24 or 48 hours if there are no complications? You're not implying that, I know, but you've got to remember that technology has changed. We are paying for all of the leading-edge drugs that are coming on the market which help patients to recover faster. Community supports are in place — we have no waiting lists in the province for home nursing, at this point at least. We monitor it all the time and I'm not aware of waiting lists at this point because of reinvestments that have been made there — and the tremendous growth over the past few years in the community-based long-term-care services.

We're trying to move the whole system towards outcomes because it's a fallacious argument to talk about money any more. More money doesn't equal more care or better care. We know that; that's why we're doing restructuring. To always have an argument about money is meaningless when it comes to health care, as you know. It's outcomes: Are the patients better? Are they healthier? That's the goal. The goal isn't to spend \$1 million per patient; the goal is to be cost-effective, prudent along the way, maintain and enhance quality and make sure people get better, and ideally make sure people

don't get sick in the first place in a properly tuned health care system.

**Mrs Boyd:** I don't disagree with you but I guess I'm worried when you say that communities watch and we would find out very quickly if there was a drop in quality of care, that you consistently dismiss out of hand any of the concerns that are brought forward in individual cases around the quality of care that's offered and around the problems that real people and real patients are facing in their communities.

I think one of the real issues for us ought to be that if what people experience is the measure of quality care, once they're informed — I agree with you, 10 days in the hospital probably was more harmful rather than less so in terms of the mobilization of people in getting better in cases of some surgery. I'm not disagreeing with you on that, but I would like to know why when we bring forward situations where the report about quality of care is from the very people that you rely on — the community, family, friends, the patients themselves — you immediately dismiss that out of hand and start talking about having higher quality than we've ever had before. Can you help me with that?

**Hon Mr Wilson:** I can help you by saying you're dead wrong. I have never dismissed a case. I usually get you an answer during question period. Every case ever brought to my attention in my two years as Minister of Health is immediately looked at, if I can get the proper information from the minister's office, and you know that. Behind the Speaker's chair there are people running all the time when we get these questions. We have always found that there's a different reason than the one given on the floor of the House. In my opening remarks to this committee I gave some of those examples of how I was told children were denied heart surgery and yet had never been to that hospital, no record of them at all in case after case.

The fact of the matter is that there are quality councils in every one of our hospitals. As I said, every hospital has a community board. They're the ears, eyes and conscience of the local community to measure quality. We take it extremely seriously, as I did in the years I was a constituency assistant. The big question is, are there more complaints because there are more people or are there more complaints because it is the issue for politicians in Canada today, the top-of-mind issue?

All I can say is we intend, and whoever sits in this chair has to be diligent every day, to take seriously every complaint, as we do, and keep ensuring we have quality. We're moving towards setting up Ontario's first quality council to ensure it isn't just our people doing the investigations, but some arm's-length people also measuring quality in the system.

**Mr Wayne Wettlaufer (Kitchener):** Minister, we've heard a lot of rhetoric and hyperbole here from the opposition parties and much of it, particularly from the Liberal health critic, centres around dollars. They keep talking about reductions in health care spending by our government, yet when I went through the estimates figures I saw a definite increase, as near as I can see about \$400 million in increased program spending and about \$1 billion, give or take, in total overall spending.

Aside from that, what our government has been trying to do is save on administration costs and put that, through reinvestments, into restructured health care. You were in Kitchener two or three weeks ago to announce a reinvestment of some \$5 million in community-based services, long-term care, Meals on Wheels. I wonder if you have any idea of the numbers of people who are being served through these community-based services?

**Hon Mr Wilson:** The experts' estimate, with the \$170 million, of which that announcement in Kitchener was part — we're rolling that out and we'll soon have just about all of that spent and committed and out there. We're still reviewing some proposals that have come in. It should serve between 80,000 and 100,000 more seniors, and is in many communities now. We're hearing back from the groups that provide the services. It is building in some extra capacity. In many communities we're proud to say that we're staying ahead of the demand, before the actual significant hospital restructuring occurs in the province. That's a lot of seniors and it will create, they estimate, over 4,000 jobs for front-line providers, including nurses.

The interesting statistic, though — I don't know why it finally hit me on the weekend; I'm sorry, it was Friday, at the seniors' seminar in my riding that reminded we have 1.4 million seniors today in the province, and by the year 2015, and I think this is probably a pretty solid statistic, that will triple.

Can you imagine that? Think of it. We're about a \$20-billion health care budget, to all intents and purposes, what we'll spend this year or over the next little while in terms of capital and operating, and the provincial budget is, what, \$50 billion or \$54 billion. We're spending on seniors' drugs this year about \$1.3 billion; those areas, \$1.1 billion, \$1.3 billion. Long-term care, another \$1.1 billion, \$1.3 billion. Government is going to have to have a very serious chat in the next few years about how we continue to carry on business the way we've been carrying on.

That's why we're doing restructuring. We're trying to catch up to other provinces that have got their health care systems on a firmer footing, trying to get every dollar squeezed out and put back in; squeezed out of what we don't need like waste and duplication in administration, and back into front-line services. That's why our government has never said it's about saving money. Where that comes from is unfortunate; we've even had some unfortunate comments from the commission about saving money. The next sentence always has to be: Every penny and more is going back in, just to keep up with the growing and aging population.

We're certainly on the right track. The long-term care and community investments you refer to in Kitchener are on the right track. We're not just covering in-home nursing in that. We're also covering through other investments, the community investment fund, which is \$23 million and change; trying to expand the mental health system. I know we've done a great deal in your area also to ensure that people can be served as close to home as possible and in their communities.

Tremendous challenges ahead. I think restructuring, although it's the buzz word of the 1990s, will be with us

forever. Every day people are going to have to get up and no longer say, "My budget next year is going to be 3% more because that's what it was this year and let's just add to it." Every day people are going to have to examine what they're doing. Total continuous quality improvement or TQI and all these things have to be practised every day in our institutions, more so than in the past.

To the credit of many of our managers, they've had that training and they are doing that. They're living that in your hospitals in your area and trying to make sure that, every day, they manage and not do things as we did so often in the old days when we didn't have the growth and aging pressures and there seemed to be unlimited amounts of public dollars to spend on health care.

**1640**

**Mr Wetlaufer:** According to some figures I've seen, or maybe it was what I heard last week at the seniors' seminar I had in my riding — on the weekend actually — there are about 1,200 hip replacements in the province going on right now. I say hip replacements, but I think it's hip and knee replacements. What is the cost of these hip and knee replacements? I know some of them are being done with this high-tech plastic that's very expensive.

Maybe I should give a little background. My wife is a sufferer of rapidly advancing, crippling rheumatoid arthritis, and at some point in her life, she's going to have to have hip or knee replacement. When you're younger I can see the investment by the province, by our health care system in these expensive joints. However, as people get much older — this was addressed by some of the seniors — as you're older and you may only have a couple of years of quality life left, is it in our interest to have these very expensive joints put in, or would it be feasible to have something less expensive replaced?

**Hon Mr Wilson:** I think the toughest questions come from my own side.

**Mr Wetlaufer:** I didn't mean it to be tough. I'm looking for information.

**Hon Mr Wilson:** Let's give you an example, if anyone can do quick mathematics. Since 1995, we've put \$8 million into joint replacement surgeries, hip and knees. That's new dollars and —

**Mr Ed Doyle (Wentworth East):** I beg your pardon, how much was that?

**Hon Mr Wilson:** It's \$8 million. Here's a note: \$4.8 million for replacement of joints in 1995-96. In 1996-97, an additional \$3 million, which we announced in March of this year, for more than 1,200 replacement joints. So somebody divide \$3 million by 1,200 and that will give you a rough idea what the cost is.

Having been down to Hamilton in March when we made the announcement in the operating room — I do apologize, I can't remember the doctor but he's one of the world leaders in hip and knee replacements. He was showing me and the media exactly how the apparatus works and the rather large hammers they use to get these things into the bone. He mentioned there are at least a couple of different types in terms of cost. It's a medical decision as to what's most appropriate. There is a plastic hip and knee — it's pretty space-age plastic, mind you — that's more appropriate for people who will only



use it for maybe 10 years or something, and then there's a titanium hip and knee, which generally is more appropriate for people who may get several decades of use out of it.

It's a medical decision and the guidelines are not even written by the Ministry of Health. They are written by the specialists themselves. They know. To make sure they get every dollar out of their budgets, they do the best they can to prescribe the appropriate apparatus for the age of the person they are dealing with or the fitness level of the person they're dealing with.

I should dispel the myth I heard in the Legislature a couple of weeks ago that there's somehow an age limit. There's some doctor running around the province saying there's an age limit. If he's putting an age limit, he's totally against the law in this province. There's no age limit on when you can receive surgeries of any type. There is the odd guideline that doctors have made up to suggest the appropriateness of various procedures, and that would only make sense as one changes anatomically in life. There are different guidelines for different stages of life.

Certainly, I think we all would have in our ridings — I was at a 50th wedding anniversary on Saturday in my riding in Beeton and the lady was showing me the scars on both her knees; she has new knees and she's quite elderly and a very good friend of my family. Thank God that we live in a province, in a country that does afford those surgeries, does provide them under a publicly funded system, because although she's quite elderly she's quite spry, she and her husband, and she'll have many more pain-free years.

They were describing it to me when I was at the hospital in Hamilton in March to make the announcement. They had some patients there to describe the excruciating pain they go through. I know it's very personal to you and your wife, but to hear those accounts first hand and then to hear how a hip or a knee replacement will relieve that pain and will give them, hopefully, many years of pain-free life, it's well worth the investment. I hope I always live in a province and a country that has that as a priority.

**Mr Doyle:** This is along the lines of Mr Wettlaufer's questions. When it comes to hip replacement, and you had mentioned the aging population and so on, I would have to assume that with this technology today — it's a technology that didn't exist a few years ago and now it exists — it puts a great strain on training medical doctors who have the ability to do this kind of an operation. Plus, as people age, it must provide waiting lists. If people have to have a knee replaced then and they age, the waiting lists would be growing because there are not that many people who are capable of doing it. Do you have any kind of figures on that?

**Hon Mr Wilson:** It's a good question. We may have to generate that for you in terms of exactly how many people in the province would be on a waiting list. We have announced that we're going to work towards a registry for hips and knees because we don't have a good figure. Individual specialists and doctors keep their own waiting lists right now.

**Mr Doyle:** Yes.

**Hon Mr Wilson:** Unlike the Cardiac Care Network, and soon Cancer Care Ontario, where we're actually creating an integrated system — let's not let anyone say the government hasn't moved on integrated systems; I could point to integrated systems today that have been developing over the years and are coming around.

We have announced money recently to try and get a better handle on the needs, not only to try and serve those who are waiting today but we can also do a better job at planning, projecting in the future, if we get a better handle on exactly what the demands are.

Of course, in a publicly funded system you do have to prioritize patients, which medical doctors do; there's only so much capacity in the system to do so many operations per day. Our end of it is we're funding it and I hope soon we'll be able to give comfort to people that there's better coordination of these services. I can't give you an exact answer now. Frankly, it's not rocket science how one might have to find out that waiting list. We would have to phone key specialists in the province and the hospitals and ask them how many are on their waiting lists.

**Mr Doyle:** Yes, sure.

**Hon Mr Wilson:** We do that from time to time. For example, when we did the \$8 million, when we were planning to spend that, we certainly phoned around to find out, and then we have a committee — maybe the deputy will explain that — on where we're going in terms of trying to integrate this system, because it is one area where we can certainly do a much better job at coordinating and making better use of resources so we can serve more patients.

**Ms Mottershead:** In terms of making the reinvestment announcements the minister has with his Hamilton example, we have some information that comes to us from a committee. It's not a formalized structure like Cardiac Care Ontario, but it is a committee of the ministry with the OHA, the relevant hospitals that are involved in doing the procedures, and we have some information about what the demands are and what some of the pressures are. It's called the life support committee because it deals with not just hips and knees but with dialysis and other chronic illnesses.

1650

**Mr Doyle:** With technology going the way it's going, there are going to be new procedures in the future, and as the population ages these procedures are going to be required by more people. I guess this relates to what you said earlier, that you're going to get more complaints because there are more people and because there are going to be more procedures, and it's going to put a great drain on the system when it comes to both waiting lists and financially.

**Ms Mottershead:** In addition to some of the information we have from the committee and the setting up of the network for hips and knees, including the registry, one of the key initiatives that will be helped by ICES on this particular issue is the question of latest technology, not just in terms of procedures but in terms of the material that goes into some of the apparatus. ICES is also looking at a methodology for us and the hospitals to do bulk purchasing, so if we can reduce the cost of bulk purchasing, we can actually buy more joints and more

units to deal with a larger population. Those two initiatives are coming on stream very quickly.

**Mr Pettit:** In the estimates you almost feel like an opposition member sometimes. You get to fire a lot of questions.

**Hon Mr Wilson:** It feels like that from this end sometimes.

**Mr Pettit:** Let me ask you about physiotherapists and chiropractic care, if I might. I've had a number of physiotherapists come to see me. In fact, I sent a letter off to you recently, and I just wonder where we're going with physiotherapists. They're wondering, are the caps going to be lifted? Is there going to be an increase there? There doesn't seem to be as much hospital physio. Where are we going in that direction? Also with chiropractic care: I know personally I've had a lot of success dealing with a chiropractor as opposed to a physiotherapist, yet in my view you get better financial coverage through physiotherapy than you do through a chiropractor. Is there any intent of increasing the coverage for chiropractic care, and where are we going in those two areas?

**Hon Mr Wilson:** The quick answer is the same negotiator who led the team for the doctors' negotiations will lead the team to have the negotiations with the other providers. Actually, we've had a few rounds with physiotherapists, chiropractors, optometrists and others where we extend partial payments, unlike physicians, who are fully paid by OHIP. With these other providers, of course, not all of their income derives from billings from OHIP, so we thought in fairness we would have a negotiating process with them.

I don't have the figures here but we have already announced, without making a big deal of it, that we've taken some of the clawback off because it was going to end anyway. It was supposed to end after the social contract for the most part. Mr Kennedy saying we've relieved the clawback — well, we didn't forgive the doctors one penny of their social contract obligations. That's still there until February 29 next year, so they'll continue to pay social contract. It was spread over a longer period of time than some other groups under the social contract, but in terms of physiotherapists and the other providers, negotiations have either begun or will begin shortly.

**Mr Kennedy:** Minister, I was just wondering, the undertaking I was asking for is whether you would provide us with the ministry's own accounting for the cost of the doctors' deal and whether you would provide us with a briefing on the same. Is it possible to have you confirm that?

**Hon Mr Wilson:** The bureaucrats would be happy to provide you with a briefing — the deputy minister. There really aren't other figures to give you at this point. Part of it, you have to understand too, if you don't mind, is utilization. Ms Boyd hits the nail on the head every time. You'll have a better argument next year at this time, perhaps, when you see the actual year-ends. No one can predict where utilization will go. In some years it has actually been lower than forecast; in many years it's higher.

I think what's exciting about the deal is that their individual caps are lower than previously; and second, because of what I said about the growing aging population, I think a very genuine commitment from the Ontario Medical Association on behalf of its membership to seriously work with the government on a number of fronts, all trying to deal with utilization.

I will be happy to report to Parliament throughout the year to let you know how we make out on those fronts. But everyone now realizes, since we're in the 1990s and about to go into the new millennium, that it's not business as usual and that every dollar has to be spent to serve more patients. We can't afford to waste any of it, and as Ms Boyd was saying, we can't afford to do any unnecessary referrals or anything. Every dollar is needed to serve people who absolutely need the services.

Perhaps the deputy would give you some comfort. I don't know. Obviously, anything I say on the deal you don't believe.

**Mr Kennedy:** I think you underestimate yourself, Minister. Every word of yours is duly noted here.

**Hon Mr Wilson:** Yes, I noticed that.

**Mr Kennedy:** One feature of the deal that I think has been a little underestimated is that under the appendix to the deal, if the fee-for-service numbers plus the 1.5% increase are over in this year or the next year, you retain the ability to bring back clawbacks and other measures. Under the agreement, section 6, clause 7, it says that all these deductions, restrictions, clawbacks, limitations and unilateral decreases won't happen so long as the total fee-for-service billings are less than or equal to the amount you've authorized.

You've authorized 1996-97 as a billing base year and you've said 1.5% increase on that, but in that amount is the reduced clawback. I know you're saying utilization can't be predicted, but you took the clawback off for five months last year and that didn't allow the full impact; next year you take off the 2.9%, and you end up with 10% implication in terms of the clawback.

When we look at that, we say that given current utilization rates, you're looking at a cost of some \$438 million, yet in your budget you've only provided for \$242 million. Minister, that leads to concern. Are you going to end up in another battle with doctors because this won't work, because it's not set up to work, or have you plans you can tell us about today that will delist certain services? There's certainly reference to that in the deal with the modernization. You may not like that term, but people are anxious to know.

The date for that was set; it was supposed to happen on 28th, it was supposed to happen on the 14th. We're waiting to see. In short, where is the money going to come from to pay for a deal that costs roughly \$438 million this year, \$539 million next year? You've only got \$242 million, according to estimates, put away for this purpose. That's your figure. Where will you make up the rest? How do we get an assurance that this deal won't fall apart? You've got the ability to put clawbacks in, if that's your choice. I suspect it's not your chosen method, based on other remarks you've made. How will you pay for this deal?



**Hon Mr Wilson:** Your assumptions are all wrong. We estimated the cost of the deal at the time of publishing the estimates, and that's why you see a figure in there. We have new money from treasury for health care — the health care budget's up — so that's partly how we're paying for it. The other correction I would make is that one utilization method we did rule out — it's the only one we've ruled out in that appendix. There shouldn't be the word "clawback," because earlier in the agreement it certainly says we can do anything except clawbacks, because they don't like clawbacks.

**Mr Kennedy:** It's a little bit nervous-making, but it's in there.

**Hon Mr Wilson:** It's not nervous-making at all. It said earlier in the deal that we would not — I don't have a copy of the deal in front of me, but I know every word of it. It took most of my life. The clawbacks were ruled out, but anyway, it's perhaps splitting hairs for the purposes of the argument.

1700

**Mr Kennedy:** The implication is important. We'll come back to it once we've had the briefing in other venues.

I'd like to turn now to the restructuring commission. I'd like to ask you a basic question. Do you take responsibility for the restructuring commission?

**Hon Mr Wilson:** I certainly established the commission and take responsibility for the commission in that sense.

**Mr Kennedy:** Do you acknowledge as well that under Bill 26 you retain the power as minister to act to direct hospitals? Through regulation, you have loaned those to the commission, but you retain the power to act should you so choose. Is that correct?

**Hon Mr Wilson:** That would be a fair assumption, except you have to add into that that the policy decision — you might want to have our lawyers in to confirm, but a minister of the crown cannot fully delegate his authorities or give them away. I've given a delegation of ministerial authority, but there still has to be a minister of the crown and I still have to retain some of that authority to do the investigations in Peterborough hospital and other things going on around the province right now.

Obviously, this black-and-white argument doesn't make sense if you understand the law. Yes, we've delegated authority equal to the minister to the commission, and as a matter of policy we've said we won't interfere with that. We've tried to set out a process in the law that enables us to make sure we don't interfere with it. It enables the public to have transparency in the government's relations with that commission. In other words, all our utterings to the commission are made public. They're done through the deputy minister so it's not at the political level. We've taken extreme safeguards to try and get the politics out of this restructuring. And in the decision-making process, which is the important part of the process, there'll be no politics.

Now, at the end of the day, we will go to the voters in two years. I will knock on the doors, as you will, and the voters will hold the government accountable for all of the actions, probably everything that happened in the prov-

ince during the time we were in government. I'm not naïve enough to believe otherwise.

**Mr Kennedy:** Minister, I think we can agree on that. We can also probably agree that it's a good idea that the minister retains responsibility for the commission.

I want to ask you about some of the things that don't fit well with the commission's mandate, like national unity, like the issues that are attached to the Montfort Hospital. Are you prepared to step in on Montfort? It has larger implications; it's been talked about. Tomorrow you'll find out that the Franco-Manitobans have joined this debate because they have training taking place at that place. You know it's been a front-page headline in Quebec. You know it's been talked about at first ministers' conferences. It represents a huge gap in the policy, particularly to do with francophones in this province, that the commission is dealing with. Will you step in with your ministerial powers and will you deal with the Montfort if it becomes necessary?

**Hon Mr Wilson:** We are going to respect and implement all the decisions, directives and advice from the Health Services Restructuring Commission.

**Mr Kennedy:** Minister, does that mean you will not take — here's an issue where you have the authority. I don't think you pretend that the Montfort or national unity is something that was supposed to be handled by a commission of volunteers and so forth. Do you not see yourself having a role to fill that gap to deal with the Montfort so we can take care of that dimension, those implications that people are suggesting? Do you agree that the Montfort has implications beyond straightforward health care, that it has special implications for francophones who live in this province and even francophones elsewhere in the country?

**Hon Mr Wilson:** First of all, we'll have to see what the final directives of the commission are before anyone would comment on those directives, other than to say that in our letter of transference to the commission from the deputy, we've made it very clear that buildings don't cure people. People cure people. Many of the services that the francophone patients receive in Ottawa-Carleton are not in that particular building. They're scattered throughout the buildings. The heart institute is on the other side of town, for example, as do many of the other surgeries that take place.

If anything, we want to make sure — and I'm confident at this stage that the commission's mind and heart is in the right place too — that the francophones receive health services in their first language, in French, at the place they receive those services, not in one isolated building, but right across Ottawa-Carleton, as they deserve, and as is their constitutional right in this country. That is the goal of this government and that's the goal of health care and it's certainly the goal of the commission, from anything I've heard articulated from them.

**Mr Kennedy:** You're very close to endorsing the commission's current position. You know there's a final decision. I think it's important that people know you're keeping an open mind about whether you have to be involved in this. The Montfort certainly does not believe — unless you give the resources to the control of a francophone hospital, not a bilingual hospital but a

francophone hospital, you are depriving them of health care.

I don't know if you care to agree or disagree with that, but that is the message that a lot of Ontarians are looking for you to appreciate and, in your political capacity, to discharge.

**Mr Pettit:** On a point of order, Mr Chairman: It would seem to me — maybe I'm wrong — I don't see where this line of questioning fits in with this committee. It seems to me that this line of questioning should be best left to question period. We're supposed to be dealing with the estimates. Don't you agree?

**The Vice-Chair:** Mr Pettit, whenever you have your 20 minutes you have latitude. We've allowed latitude for all three parties and will continue to allow this latitude.

**Mr Kennedy:** Would you like to comment, Minister, about whether you recognize that point of view currently there on the part of Montfort and so many other concerned people, not only francophones but particularly francophones?

**Hon Mr Wilson:** Certainly I'm aware that a number of groups and individuals have made that type of submission to the commission. They will take that into account.

**Mr Kennedy:** I think it is part of a theme here about what's missing with the commission. In other words, yesterday the commission released its London report. It cut the amount of money that it said it could save by 35%. That's not a small error. That's a very large change —

**Hon Mr Wilson:** Excuse me, it wasn't an error —

**Mr Kennedy:** Minister, I will give you an opportunity to respond, I guarantee you. It was a very large change. It's related to the methodology this commission is using. You refer to yourself in the House on occasion as a layperson. I certainly don't have any other title myself. But we all know that the commission you've given your power to — loaned it; you've retained your power but you've loaned it to them — is using certain devices to evaluate hospitals. They're going around and taking beds away from communities, a few of which are empty but most with patients still in them, and they're using tools. You've developed these tools. Your deputy minister, your ministry, has developed the tools.

For example, one of them is called the PDST, planning decisions support tool. It sets standards around what kind of achievements there should be by hospitals. That tool has been used by your commission to justify clinical efficiencies. Most of the money for clinical efficiencies and then almost all the other savings that follow have been that aggressive tool. Your own ministry, when it produced this tool, said, "Users of the PDST are cautioned to perform further investigation and analysis and not reach conclusions based on this set of indicators."

We have seen the Montfort Hospital come and tell you that moving them will cost money. We have seen Women's College come forward and say you've overestimated the savings and underestimated the capital that's required. If you compare the DHC reports and what the commission has come up with so far, you see a great variance in terms of where there can be savings and how much more capital it will cost.

We want to keep this in layperson's terms. Are you aware of the measures you've given to the commission and the way they're using them? If they make mistakes, will you use your ministerial power and step in? How are you monitoring to see if the commission makes these mistakes, as are now starting to be evidenced?

**Hon Mr Wilson:** It's really quite misleading to say that mistakes were made in London. The commission listened to the community. They said, "We need more beds than the benchmarks you've used." By the way, the benchmark is not set strictly by the PDST; the commission is getting worldwide advice on benchmarks.

You're welcome to read all the submissions. People send me copies and I spend nights reading them. You're getting to be more knowledgeable in health care and I respect that. I'm sure you're reading a number of them too where there are deviations from the PDST recommended, for good reasons, and the commission has listened. In London there are about 200 more beds, from interim report to final report, and there are more mental health resources, because they listened. I think it's evidence that the process is working.

Yes, your initial projected savings is lowered. But given that the government's agenda isn't to save a whole bundle of money on restructuring but to put it into proper, front-line, expanding services, I think the report was a success in that regard and I fully endorse it.

You're perfectly free, as we did last year, and I made this offer at the beginning — suggestion. I can't make the offer; I can't compel the commission to come here, but you can. You're a committee of the Legislature and you can compel anyone to come here if you really wanted to. You could have the commission come in again this year and explain how it arrives at the decisions it makes. It's been very honest. I think they give as many speeches or more than I do and more than the politicians do. Duncan Sinclair and Mark Rochon are probably out two or three times a week, some weeks anyway, explaining themselves ad nauseam, from little tiny Rotary Clubs up through to huge OHA meetings. They're not afraid to explain to anyone the methodology used by this commission.

1710

**Mr Kennedy:** Minister, I appreciate that what you're saying there is true, in the sense that the commission is not unwilling to go out and talk and so on. But are you independently monitoring their decision-making, and if they make mistakes will you use your ministerial power to step in?

I'll give you another example. In Lambton your commission received instructions, or at least indication, from you that there would be a policy re small rural two or three days before the report was due; in fact, I think it was less than 48 hours. That initial report was the closure of a small rural hospital. We've heard you talk before about small rural policy, but that was down to the last minute as to whether that report was going to go ahead.

We want to know, and I think it would be very comforting to the people of Ontario to know, are you monitoring for these kinds of errors if they're made? If "errors" is too strong a word, at least errors of omission and so on? There's been change in the methodology of the commission. There's been a dramatic change in the



finding in London. Are you monitoring and will you step in if those decisions aren't rendered properly? That's what I'd like you to address, if you wouldn't mind.

**Hon Mr Wilson:** The policy of the government is to respect and implement the decisions and advice of the commission. It's hypothetical to think —

**Mr Kennedy:** What if they're wrong, Minister?

**Hon Mr Wilson:** It's hypothetical to think otherwise.

It's a good question in that analysis is not only done by the commission but by outside consultants. Sometimes they go back to the very people they're restructuring and say, "If you don't like our analysis, you do the analysis and hand it in to us." The ministry, on the bureaucratic side, is also a resource for the commission to do analysis.

I would say it's probably the most studied commission in the world, that I'm aware of right now, certainly in our province. It receives the utmost scrutiny, which is why its final directives have been easily supported by the government, because they make so much abundant common sense in any of the cases we've seen to date. You'll note that where final directives have been issued in this province they've received editorial support in every community. They've received local members' support, of all political stripes, where final directives have been issued.

It's an extremely hypothetical question right now which I will not answer, whether the government would ever have to step in, given the scrutiny and the painstaking methodology that's used in this process and the willingness to date the commission has shown to listen and respond to community concerns. I'm certainly very confident with the process we've established.

**The Vice-Chair:** We'll move to the third party.

**Mrs Boyd:** To segue from that, although that has happened when final directions have come out, I think it's a little overstating it. I don't believe the member for Renfrew is entirely happy with the final report in Renfrew, and I certainly don't believe that the member for Fort William expressed any pleasure about the final report in Thunder Bay. Yes, that has happened in some circumstances. Certainly in London — we discussed the London restructuring situation the last time I was here — there is good reason to support many of the conclusions the final report comes to.

With respect to the estimates, you indicated just moments ago here that you intend to follow the advice of the commission.

**Hon Mr Wilson:** Yes, and we have been. It would be unfair to follow their directives and not their advice, because their advice is, for the most part, the reinvestment. It's absolutely crucial to follow their advice in addition to their directives, or you wouldn't have restructuring.

**Mrs Boyd:** I would agree with you that it is absolutely crucial to follow their advice. Although originally, way back in the early days, we were having some difficulty getting you to commit to that, I'm delighted that you can. That's good, because that means something else.

With respect to psychiatric hospitals, of course, the advice is because you have retained that power. Bill 26 only gives the commission power over public hospitals, not over the psychiatric facilities, which you own and

operate. I'd like you to put on the record, do you intend to accept the advice of the commission with respect to the facilities you own and operate even though it's within your power obviously not to do that?

**Hon Mr Wilson:** Yes.

**Mrs Boyd:** Then with respect to estimates, we're looking at an enormous amount of money in London, \$190 million of capital to accomplish what we want. I think it's fairly clear from the report that the commission is convinced that's the amount of capital that's necessary to generate the long-term savings and the long-term ability to provide state-of-the-art medical care in all areas. So I think that's fair.

How does that fit in? We talked a little bit about this earlier and about what's retrospective and what is forward-thinking in terms of restructuring dollars. We know there's going to be a report in Toronto; we know there's going to be a report in Hamilton and Ottawa. How are you going to manage, with respect to your estimates and the government's overall estimates, the kinds of investments the commission is advising you to make, and how can we be sure the dollars will flow in a timely fashion, unlike Thunder Bay where they did not flow in a timely fashion and created some real dissonance in terms of need, as you admitted in the House last week? I wonder if you can help us with that.

**Hon Mr Wilson:** That's a very fair question. Thunder Bay was our first experience with this process. The reinvestment announcement wasn't as timely as it could be, but when it did come, I think it was a pleasant surprise. Even before that announcement, we had already been making investments in Thunder Bay, so the total dollar figure was higher than the commission was recommending by the time all was said and done with the various announcements that were made in Thunder Bay.

One of the reasons, obviously, that we've set up the \$2 billion in extra money over the next three or four years or whatever it takes to spend that money is that we want to see restructuring occur as quickly as common sense dictates and as quickly as is reasonably feasible.

We know from the other provinces that once you get some momentum, you have to go quickly. We're seeing that in some of our hospitals now. I know you've been raising in the House some of our Toronto hospitals — the doctors themselves tell me at everything I go to that certainly they're planning to move because there's no sense setting up a practice in a hospital that may close, and we've been saying to them personally and officially: "Don't go anywhere yet. You don't have final directives." But human nature being what it is, people are planning ahead and we've seen some movement. It's absolutely crucial that we not lose the momentum — and patients would fall through the cracks — and that we keep going.

The commission, which I think wanted the assurance that government, whoever is in, would follow through and not leave institutions in the lurch — which happened so many times in the past, where things got half done — requested that we set aside a great deal of money, and the Treasurer did that in this budget.

I'd like the deputy to comment on it, though, because regardless of who sits in this chair, the ministry has lead responsibility for implementation once the commission

has made final directives in an area working with local partners and local councils that are set up — and our care teams. Don't forget we're leaving behind on the ground our communities achieving restructuring excellence teams. The membership will be announced soon for Thunder Bay.

The newspaper ads went out some time ago and résumés have been coming in, which is a helping hand under the HCs and the hospitals themselves and really an oversight body, which we've already announced in Thunder Bay and in Sudbury — the actual people on the committees will be announced soon — to make sure that citizens have some prominence in identifying any gaps that may be occurring or giving advice to the ministry and the minister to make sure we get the restructuring done properly long after the commission is gone.

We are leaving that on the ground as part of our local partnership to make sure the services are there for this growing and aging population that we're trying to prepare for. I'd ask the deputy to maybe give you a bit more detail on that.

1720

**Ms Mottershead:** On the London issue — the \$190 million is a huge amount of capital — the majority of it will be related to the closure of the South Street site. We've known that for a very, very long time. It has been in our capital plan for a couple of years, even before the commission made its decisions in that area.

I'd like to point out the way capital works. It takes a number of years for the projects to come to full maturity, ie, to have a building up and running and functional. The first phase of it will be the scoping out of the size of the building and what kinds of programs will go in that building, and for that phase of the project which we'd call the planning phase, the money would flow immediately.

In terms of the estimates this year, our capital budget is over \$218 million. That's real cash. If you look at the London decisions or the Thunder Bay decisions or the Sudbury decisions, only a small amount of money will actually flow in year one. The budget obviously is going to increase next year and the year after as capital construction starts and the costs get ramped up and the money is called. So we see that in years two and three of the capital, the estimates of the ministry are going to include a huge amount to deal with the bills that have to be paid. We think the allocation this year is appropriate to the bills that will accrue from decisions made in 1997-98 and indeed part of last year.

**Mrs Boyd:** One of the issues I've always been a little puzzled about: The commission itself is setting up a number of advisory committees, or decision-making committees in some cases, as a result of each report, requiring the kind of integration of management that is necessary if we're really going to have an integrated regional health system.

In the London report a number of these committees are set up with the players in the committee, like the faculty of medicine, the CCAC, the various hospital facilities being represented. I'm interested in knowing how this new oversight body you've announced is going to interact with those ongoing management committees that have

been set up on the advice of the restructuring commission.

**Ms Mottershead:** They actually are going to be the overall community eyes and ears in terms of monitoring the progress of restructuring. They will report to the ministry and at the same time to the commission to let them know what the community feelings are, in their view what barriers are being posed as a result of some of these changes, how well the community understands the kinds of changes. In a way they are the one window for the community to go to and say: "We feel that this particular change is going to have these kinds of consequences. Please help us understand it or notify the ministry or the commission of either lack of progress, or maybe it's too aggressive in terms of the speed with which some of the measures are implemented." That's the whole point of the care committees.

We know the commission has established task groups to deal with specific issues, whether they're labour adjustment or human resource plans, for example, whether they are looking at establishing paediatric networks with Sick Kids and other hospitals around it, a University Avenue review of how more integration is required there. Those task forces will report back into the commission and they will keep monitoring to see what can be done to improve the system don't take away from the care committees that have oversight of the whole restructuring effort in their communities.

**Mrs Boyd:** You really answered the question I was concerned about. The only real concern in our community around the restructuring, the only really serious concern, is the speed with which all this is supposed to happen. All this is supposed to be accomplished by December 1999, which is a very short time away. When you talk about flowing money and in the first year somehow all this money is going to be encompassed within \$218 million, if there isn't a shovel in the ground, meeting that December 1999 deadline becomes very difficult.

What I'm concerned about is that I have a feeling of great urgency in our community that because we have been cooperative, because we have managed to keep people on board in a way that some other communities haven't, we could lose that cooperation very quickly if we see the same kind of problem in terms of implementation that we saw in Thunder Bay. We know that implementation is one of the more difficult aspects of governing. Good policymaking is seldom the problem for governments. Implementing policy tends to be a real challenge. Getting money out the door, I think, is the description we always had when we were going through estimates and saying, "But why is this underspent?" "We had trouble getting money out the door."

One of the real issues for us when we are undertaking a massive restructuring like this is, how can we be sure that a ministry that has not had a reputation of being able to get the money out the door in a timely fashion is going to be able to this time around?

**Hon Mr Wilson:** That's a very good question, and the deputy understands it. I'll give you my general comments. We've dramatically — I'm not overestimating that word in this case; I'm not exaggerating at all — improved the capital improvement process. It's not going



to take years any more. I am surprised and give full credit to the deputy and others who have implemented this, and when push comes to shove, the bureaucracy has restructured in that particular area and it's working very well. We're approving capital projects now in a matter of months and some stages are going in weeks, four-week turnarounds, five-week turnarounds, which would have taken — without exaggeration we've had projects seven, eight years on the books. It took that long to get through. So the turnaround time is crucial.

One concern we have is that we are about to enter the largest phase of hospital construction in the history of the province. Think of the \$2-billion fund; it is bigger than the Canada-Ontario infrastructure program — for the entire nation. There are only so many architectural firms that do medical buildings, only so many construction firms.

You're absolutely right in the "capacity" of the system to do this. It's a balance between the need to restructure quickly, to keep the momentum going and make sure there aren't gaps in services. A program can't move over a number of weeks, it has to move over a number of hours, and ambulances have to move patients from one building to the next in a number of hours, not weeks, and things have to move very quickly. But we have the brain power in this province; we have the willingness. South Street is a good example. I think it was one of the first meetings I had as minister with Tony Dagnone and others saying, "We've got to get moving on South Street." They have their pencils sharpened already, I think they're ready to go, so less worry about London.

Thunder Bay is not a slowdown, if I may say, on behalf of the ministry. There are still just discussions going on in that community about whether it would be a green site or a new hospital or a redeveloped hospital. We're ready to go with the commission's directives and the money is announced and we're free to spend it.

Certainly behind the scenes it's my understanding that the hospital corporation is being cooperative on two fronts. They still haven't given up the idea of a new green site hospital, but they're also producing the functional plan and other requirements to move ahead with the redeveloped site and they're being very honest with the community on the two-pronged approach that I think they're taking.

The deputy would also like to comment on the capacity of the system, the ability to get the restructuring done as quickly as we can.

**Ms Mottershead:** I was just going to add to the minister's comments about London to reinforce the fact that the leadership in that community has been extraordinary, including the hospital leadership. The capital plans have been worked on since the Thames Valley DHC made the original recommendations, which was over two years ago. Therefore, the time line may seem tight in terms of December 1999, and it is.

The community has also told us in very recent discussions, notwithstanding the final decisions and directions of the commission, that they want to move quickly, and not to lose the momentum. That's why the minister yesterday put out a press release supporting and endorsing the final directions of the commission.

1730

**Mrs Boyd:** That's great. It's very helpful to come in and get that feedback. It's probably not as hopeful a situation when we look at Ottawa or Toronto and potentially Hamilton where, for a lot of different reasons, there certainly isn't the kind of cooperative commitment to restructuring there has been in our community. It would do a great disservice to the people in those communities to suggest that they would suffer because there is real difficulty around the kind of restructuring that's being required.

At the same time that I'm very proud of my own community for being in the position they are in, I would hate to see them held up as an example to other communities that don't have the same community of interest and haven't developed the same capacity to cooperate. For various reasons, we did. We were in a different position. Every hospital was a teaching hospital, for example, so you didn't have the push and pull between community hospital and teaching hospital. In fact, probably our greater problem is making sure those teaching hospitals maintain a community hospital quality of care, which I think everybody acknowledges.

That's not true in Metro Toronto. You have a lot of controversy here, a lot of reluctance, a lot of concern around the actual delivery of care that is not a concern in London. In fairness, I think it's probably less of a concern in either Sudbury or Thunder Bay than it is going to be in Toronto.

Since you're trying to do all this at the same time, when we talk about the capacity of the ministry to do something enormous like work with a community that's already cooperating, how do you think it's going to work where your community is being dragged kicking and screaming in front of the law courts in terms of restructuring?

**Hon Mr Wilson:** Generally I would say that while we tend to concentrate on those hospitals where the building may be closed and the media and question period tend to concentrate on certain institutions — you've got to remember there are over 30 institutions, 34 out of the 44, although I think a lot of my numbers are wrong, because with some of the corporate mergers recently we probably don't have 44 any more. Anyway, the vast majority of hospitals in the new city of Toronto, Metropolitan Toronto, are very supportive of restructuring. They are poised to say that. They've said it. They've had many press conferences to which nobody ever showed up. Immediately after the interim decisions by the restructuring commission there was a press conference held by many of the administrators, CEOs and physicians of the hospitals that have for years — I didn't think up this idea, your government didn't think of it and the Liberals, who started it, didn't think of it. Hospitals themselves have been crying for restructuring. They know they can't continue the way things are going.

We will have many great leaders out there who will make it happen, and I have the confidence because they've asked government to do this. I'm truly convinced of that. The easiest thing, as I've said so many times, would be to do nothing and say no to them all. But how are you going to say no to a hospital that's desperately

trying to get more money into front-line services but continuing to run physical plants for buildings that shouldn't have to be maintained because they're empty?

The opening of the new Peter Munk Cardiac Centre at the Toronto Hospital is a very good example where now with the new unit there's the capacity to tear down some of the old part of the hospital, which they very much want to do. You'll see that around the province.

It's no secret that when I was in opposition, Wellesley and others in some of those older buildings approached the government for millions of dollars for upgrading their boiler systems and for infrastructure. It's no secret that your government said, "No, because you will be restructured." We didn't think this up to pretend in question period that all this came because of the commission. It is just not true. In fact, some of the people on the commission are the very people who have worked with the health care community, like Dr Duncan Sinclair, who has probably devoted most of his life to talking about restructuring and integrated health care. So there are a lot of people out there very willing to make it happen. The politics is difficult, the politics of the individual institutions is difficult, but doesn't that tell you something about the non-system we have, that institutions are fighting each other right now? All we want to talk about is the seamless continuum of care that politicians have given speeches about for so many years, and we can't do that unless we restructure the system.

**The Vice-Chair:** We'll move to the government side. Mr Grimm.

**Mr Bill Grimm (Muskoka-Georgian Bay):** I'd like to continue the discussion about hospitals, maybe in a different direction. I think in my riding most of the people in each of the small communities have friends and relatives who either work in hospitals or who have some connection with the local hospital. Certainly since I've become a member there, I've had the opportunity to find out a little bit more about how the ministry deals with applications for capital projects.

I've also found out that over the years the ministry had assembled a list of approved projects. Recently we in our riding went through the difficult process of having one of those capital projects — instead of being approved, we were told there was no money to fund the project because most of the capital money the ministry had set out in its budget was going towards restructuring. I assume, from looking at the estimates, that's going to continue to be the case.

But in my riding we've gone ahead in a very positive way in the hospitals that are in the communities that I represent. For example, in Penetang and Midland the hospitals have gotten together and formed a joint board and done a series of restructuring on their own. In Bracebridge, the project that had originally been approved by two previous governments and could not be funded by our government, the South Muskoka Memorial Hospital, is going to go ahead and fund the project itself.

I wonder, Minister, if you could perhaps talk to us for a moment about how your government approaches routine capital projects in hospitals where there has perhaps been some restructuring or where perhaps the implications of

restructuring are not quite as significant as might be the case in some of the projects that have been talked about.

**Hon Mr Wilson:** I know, Mr Grimm, this is a question that's dear to your heart. You made a very concerted effort over a number of months to bring to my attention the community's desire to do some redevelopment at the Bracebridge hospital, for example.

Unfortunately perhaps, we did draw a line in the sand — but there will be better days ahead when we'll be able to move ahead with some of these routine redevelopments. There was closer to \$3 billion than \$2 billion worth of capital projects, funding letters going back to — and I blame all governments. I've had letters shown to me from communities beginning — the earliest one I think was 1984, so does that get everybody on the hook?

It's true. I've seen yellow, tattered ministerial letters saying, "Go ahead and build your centre," and they went up exponentially before campaigns were announced, so you tend to get a flurry. You can just tell that there was an election coming in 1985, you can certainly tell there was one coming in 1987 because of the flurry of these funding letters at the end of 1986. We don't do that anymore. With the accounting system we have now, when we make an announcement, the money is booked. As the deputy and I have explained many times here, it flows out as we receive invoices and as the cash flow is required, but the commitment is there and you can literally take the letter to the bank now.

Unfortunately, we did have to draw a line in the sand, though, in terms of putting the government's resources, the taxpayers' resources for the next period of time into restructuring initiatives. I'll ask the deputy to comment on the criteria, but generally we were looking for expansion of services. We've even got out of really a lot of the maintenance and cosmetic stuff that used to be done, putting all of our resources, some \$2 billion of real money over the next few years — much of that is capital — into making sure that we can live up to and implement the directives and advice from the restructuring commission, which is our priority.

So we've set priorities. It doesn't mean that Bracebridge hospital, at some point down the road, won't get looked at again, or all of the other projects, but we did have to say no, unlike any government I am aware of in history, to several dozens of institutions and community groups. We just said: "No, I'm sorry. This doesn't fit in to our priorities of a restructured and integrated health care system at this time." But I will ask the deputy to be a little clearer on what the criteria were in terms of the noes and yeses that we had to issue.

1740

By the way, I just want to put on the record, the previous practice — because this isn't new; the last two governments had to deal with this too and they stayed silent. What we did was check the computer banks on everything that had been booked for over a decade. I asked for that report and I said, "Those that don't make it, let's stop stringing these communities along."

Fund-raising has been going on for decades. I know in one of my communities they've been fund-raising forever and yet the case for the redevelopment of the emergency ward or whatever wasn't made every year because they



already had this letter that was 10 years old, saying, "Some day we're going to pay for it." Times change and you have to make the case every year now and you have to fit in with the restructuring that's going on.

So we bit the bullet and we said no. A lot of groups have frankly been strung along for a great number of years and perhaps my personal popularity is reflected in the fact that I had to say no to so many groups. But I'm proud of it in one way because I don't believe people should be out fund-raising for projects that may never receive government approval, or it may be so far down the road that it's not really fair to those involved in those projects. I'll ask the deputy to comment on the criteria.

**Ms Mottershead:** There are three criteria that we have put together to make the determination of eligibility for capital. One is restructuring: To what extent is the restructuring commission or other restructuring initiatives of the community going to impact the particular hospital in terms of moving programs or services or beds and therefore capital is required? So the number one criterion was directly related to restructuring of programs and services.

The second criterion is: To what extent is the particular capital request or redevelopment going to result in increased capacity for increased services in a particular community? Examples of that would be long-term care beds. How many more are we adding to the system and providing the capital dollars to deal with that? We funded some community health centres because their volumes have increased tremendously as a result of adding new physicians and other services.

The third criterion is: To what extent do they contribute to facilitating critical care and priority projects? They're necessary because we have those critical programs like cancer. There are a couple of projects that are still on the books in terms of the east and west of Metro for the expansion of cancer services and things like heart surgery. The minister has mentioned a few times about the capacity in the system. People are working night and day, and in some cases the expansion of the reinvestment dollars will actually result in having to add two or three more operating suites. The capital will be provided to do that so that in fact we can have the benefit of those critical care reinvestments.

Those are the three criteria that we're using in terms of making final decisions on capital.

**Mr Grimmett:** Just to follow up on that, I want to assure the minister that I've been in constant contact with the South Muskoka Memorial Hospital in their current project, which they are funding themselves. I've certainly passed on their good wishes to you because they are quite appreciative of the quick approval that your office was able to provide when they chose to go ahead with the project.

I wonder if you might comment, because you represent a rural riding like I do, on the willingness and the ability of some of these rural community hospitals to fund their own projects; whether there are other examples, for example, other than the one in Bracebridge, where what you might refer to as routine capital projects are being funded on the local basis, rather than on the basis of

pushing for provincial funding, as had been the case in the past.

**Hon Mr Wilson:** I don't want to mislead anyone and say that it's an automatic rubber stamp of approval to go ahead just because it's an "own funds." I think Mr Wettlaufer, sitting in front of you, will attest that we put St Mary's Hospital through the grinder for well over a year before we allowed them to renovate their obstetrical suites because it had to meet criteria.

The worst sin in the world I think, and we saw this in the not-too-distant past, is where hospitals, in the name of own-funds projects, were doing fund-raising, but then you see the restructuring commission come along and say, "Yes, but that building's not going to be around any more."

We don't want to do that, and any project, including your own in that, we would ask the hospital to have a direct discussion with the restructuring commission to make sure it fits in with their thinking. I'm at arm's length, so we always, in every case, and we did it with St Mary's and we'll do it with others and we'll do it with Bracebridge, almost regardless of the size of the project we ask them to check with the commission. It's all taxpayers' money. Whether the hospital raises it or we get it out of taxes or we go out and raise it somehow, there's only one taxpayer, and we have a moral obligation I think to make sure we don't mislead people along the way.

Those are my general comments about own funds projects. On a weekly basis at least one member comes up to me, it doesn't matter which party, saying: "It's their own money. Let them go ahead and do it." Yes, well, their own money built beautiful atriums and wings in the odd case in this province and now they're empty because they didn't fit into the planning. In many cases the planning wasn't as forward-thinking as it is now, and that's a great credit to the commission. We can now go to the commission and have us say to the hospitals, "Please check with the commission and make sure there isn't something" — Even when we approve them, every funding letter has a paragraph saying, "This still doesn't exempt you from the Health Services Restructuring Commission."

Those would be my general comments. While we absolutely cannot run the system without those volunteer fund-raising efforts, without the volunteers in the system and the fund-raisers, we still all, regardless of whether we're in the ministry, we're the MPP or we're the fund-raisers, have an obligation to, as I always say, pull on the oars in the same direction and make sure our eyes are always on patient care and to make sure, whatever we do and however we spend the money and wherever it comes from, it all points towards integrated health care and better health care for people.

**Mr Doyle:** Minister, last week you touched on this briefly but I'd like to mention it again because my riding was affected by this, and that is dialysis. In my riding there's a new dialysis unit that is up and running right now, has been for several months, and is serving the community very well. I know there are other projects that are similar to these dialysis units and I'm wondering if you could give us a rundown on what kind of reaction

we're getting to the dialysis units and what kind of service the new units are providing on a province-wide basis at this point, and areas other than dialysis, if you wish.

**Hon Mr Wilson:** Mr Doyle, it's a good question but I want to save the accolades until we address what Mr Cleary has talked about in terms of finishing the dialysis expansion across the province. We still have, because of a court matter, one area of the province that needs to receive the expansion.

**Mr Doyle:** Yes, I understand that.

**Hon Mr Wilson:** So we're not going to pat ourselves on the back yet. Having said that, I don't have the figures in front of me, but the growth in dialysis has been about 10% a year and we'll find out in just a minute how that translates in terms of the number of patients. But it does translate into — I forget; it's a small-hundreds number — 250 additional patients able to get those services closer to home.

This started for me, as you know, with the private member's bill in 1993 — December 1993 I guess it passed in the Legislature — in trying to get expansion of services. If you ask the very direct impact it has on people's lives, you know, from the opening of the services in your area, the stories —

1750

**Mr Doyle:** Yes, I've been there.

**Hon Mr Wilson:** The stories you hear from people are just phenomenal and it makes you wonder, what happened to these patients before? They're just almost coming out of the woodwork in terms of the growth; it's been phenomenal. Like in your clinic, we no sooner get it set up than we get waiting lists, and right across the province. It's a sign to me of the growing and aging population.

End-stage renal failure is often caused by diabetes, one of the major causes. That's a disease that often comes later in life. We're supposed to have growth between 8% and 10%, and with the new integrated system we're putting in place for dialysis services so that we don't have to keep playing catch-up in the future, we're planning closer to the 15% mark now in annual growth. Of course as that population of seniors triples in the next decade and a half, we're asking the experts now what the growth demand will be. It's going to be phenomenal, so there will be a lot more clinics. Of course the idea was to get these life-sustaining services as close to home as possible because people were having to travel far too great a distance, often during the wintertime, frankly, to stay alive. This isn't an optional service for people.

**The Vice-Chair:** The government has one minute left and rather than going over to the official opposition — or would you like to begin today, Mr Kennedy?

**Mr Kennedy:** Sure.

**The Vice-Chair:** Do you want to begin today? Fine. There are seven minutes to go today.

**Mr Kennedy:** Minister, I'd to ask you about a comment you made earlier in these proceedings, your reference to a number of policies, and it has to do I think with the believability around small and rural. There's a policy being made by your ministry about small and rural hospitals. Most people now know what's in it, even though it hasn't been officially promulgated.

But for some that seemed a bit convenient, in the sense that there was a lot of agitation in different communities. I know Mr Wettlaufer's community is not one of them, but he saw what it looks like in terms of St Mary's. A number of people want to know why we don't have similar policies for francophone issues or women's issues in terms of health, why we don't have those health policies.

Now, we called the commission. I made a whole list of those last time and we called the commission. The suggestion you made was that they had those at the commission and they were already part of how they were addressing their job, but they say they've never heard of them. So there's a little bit of communication there.

But there have been various comments that people have made. Your colleague Elizabeth Witmer talks about St Mary's being a hospital that will continue to serve that community for years to come, even though at one point it was on a recommendation to be closed, very unfortunately. In the Alliston Herald, you talked about the Stevenson Memorial meeting the criteria, that it's positioned geographically and financially to continue. There was the suggestion you made in Meaford that "we're going to look after rural hospitals," and then of course the situation in Burk's Falls leads to confusion on people's part.

Is the government taking responsibility for policy, whether it's small and rural or whatever, or is there some other kind of influence it's having, or will we have policies that will deal with the various challenges this commission is facing? I wonder if you would address why we have a small and rural policy and not a policy for the francophone community or for communities the size of Mr Wettlaufer's or for other communities that are facing what they really truly believe are unique health circumstances.

I'll throw in for you the situation in Pembroke, which as you know is an issue that now many believe affects women's health. There is a question of governance there that could very well lead to a much, much larger issue. In each case, I'm wondering, where are you exercising your responsibility as minister, and could you comment on that in the context of the policy you have made and other policies we might expect from you in the future? Because on the converse, some people are wondering if this isn't just political on your part to have a small and rural policy.

**Hon Mr Wilson:** I'd ask you, are you opposed to it?

**Mr Kennedy:** Minister, if you can tell me that there will be policies for francophones' health, for women's health, for these other communities, then I think we'd be happy to help you to develop those. What we're concerned about is whether these are being done in a fashion that really meets all of the province. We congratulate you for a small and rural policy. We want to know, will you extend the same courtesy and the same respect — and Mr Wettlaufer saw this in Kitchener, that hundreds of people came out to a gymnasium there — to the other citizens of Ontario or do they just get the commission and that's it, and no reference to their particular, unique circumstances?



**Hon Mr Wilson:** I'm absolutely shocked at the answer of the commission, and I wish I had the freedom to call them, because there are manuals on the PDST and the benchmarks, and they fill shelves. There is policy on Mr Wettlaufer's area and the DHCs have had those manuals for years. So I'm just shocked. Bill 8 is the most comprehensive policy in the province covering French-language services, so French services is covered extensively for all government departments.

Women's health: good point. I always say our health care system is primarily centred on women and children because they tend to be the ones that make the — I'm not sexist but the mother of the family still often is the one who brings the kids to the doctor, and so many of our new and expanded programs have been for women, in terms of breast cancer and cervical screening and our cancer initiatives, period.

Cardiac: During my term, the recognition by the professionals themselves that there has to be more done in terms of sensitivity to the particular needs of women suffering with heart disease and the treatment they receive. That's a wonderful development I think.

Could we have a women's health policy? Yes, we could package up the myriad of programs, and I know our women's issues minister will be talking about that actually very shortly, within days, in terms of women's initiatives across government, and many of those issues are centred in the Ministry of Health.

It was the commission itself that pointed out — and you're absolutely right, it was when they were doing Lambton. They said, "We don't have any manual to deal with Lambton," frankly. So we took the challenge. We didn't want the politicians to do it again. I think you're aware of the expert panel, and I don't think there's any debate. We didn't ask them their politics. They come from the various rural organizations, municipal organizations, physicians and nurses. I don't want to exaggerate it, but a great sigh of relief at the — I guess I saw them at their third meeting, when they had finished the policy. I wasn't at the first two meetings because, again, we didn't want politics. We locked them in a room and said, "Get us a rural health care policy; the commission needs one," and they'll all swear on a stack of bibles that the process was squeaky clean.

I saw them to thank them at their final meeting, and they were thanking me. They just couldn't believe that a

government would finally listen. These are rural emergency health care physicians who have had frustrations, front-line nurses who have had frustrations over the years. So where we were told we were lacking policy, we've moved quickly to fill that gap.

**Mr Kennedy:** Minister, they're saying the same thing for urban communities. The Wellesley Hospital tried to hold its own urban policy conference. Doctors Hospital really feels that the multicultural community that they worked years to establish connections with is being underestimated. Will you commit to doing similar things for those communities? That is the question of fairness I think that's being put to you. Is there a possibility of that occurring?

In terms of women's health that you mentioned, is that something concrete you're prepared to tell us today will happen and will take into account Women's College and that particular conglomeration of unique services? Will it happen in time to affect that decision, what you've referenced on women's health, and will there be something for urban health, just as two examples that I know have been brought before the commission and you probably are also aware of?

**The Vice-Chair:** A very quick answer, Minister.

**Hon Mr Wilson:** Very quickly, on women's health, of course in addition to what I've said in terms of getting better coordination and understanding of all the programs provided across ministries, which is currently a task being led by the women's issues minister, we've also established in the budget, at an annualized cost of \$10 million, the women's health institute, which will certainly be guiding us. That's far more money that's spent on specifically women's research.

**Mr Kennedy:** But will it affect Women's College? Will it be done in time to affect Women's College?

**Hon Mr Wilson:** It will be an evolving process and very much involve people who are associated with Women's College. Specifically the deputy, because she was here for the development of all that previous policy, would like to comment on this general area.

**The Vice-Chair:** You may have an opportunity to do it tomorrow, Deputy. It's 6 o'clock. We will adjourn for this evening. The Liberals will have 12 minutes to finish tomorrow, then we'll move to the third party.

*The committee adjourned at 1800.*





## CONTENTS

Tuesday 17 June 1997

<b>Ministry of Health</b> .....	E-873
Hon Jim Wilson	
Ms Margaret Mottershead	
Mr Bill Hawkins	

### STANDING COMMITTEE ON ESTIMATES

**Chair / Président:** Kennedy, Gerard (York South / -Sud L)  
**Vice-Chair / Vice-Président:** Bartolucci, Rick (Sudbury L)

Mr Rick Bartolucci (Sudbury L)  
Mr Marcel Beaubien (Lambton PC)  
Mr Gilles Bisson (Cochrane South / -Sud ND)  
Mr Michael A. Brown (Algoma-Manitoulin L)  
Mr John C. Cleary (Cornwall L)  
Mr Ed Doyle (Wentworth East / -Est PC)  
Mr Bill Grimmett (Muskoka-Georgian Bay  
/ Muskoka-Baie-Georgienne PC)  
Mr Morley Kells (Etobicoke-Lakeshore PC)  
Mr Gerard Kennedy (York South / -Sud L)  
Ms Frances Lankin (Beaches-Woodbine ND)  
Mr Trevor Pettit (Hamilton Mountain PC)  
Mr Frank Sheehan (Lincoln PC)  
Mr Bill Vankoughnet (Frontenac-Addington PC)  
Mr Wayne Wettlaufer (Kitchener PC)

**Substitutions present / Membres remplaçants présents:**

Mrs Marion Boyd (London Centre / -Centre ND)  
Mr Gerry Martiniuk (Cambridge PC)

**Clerk / Greffière:** Ms Rosemarie Singh

**Staff / Personnel:** Ms Alison Drummond, research officer, Legislative Research Service



**Legislative Assembly  
of Ontario**

First Session, 36th Parliament

**Assemblée législative  
de l'Ontario**

Première session, 36<sup>e</sup> législature

**Official Report  
of Debates  
(Hansard)**

**Wednesday 18 June 1997**

**Journal  
des débats  
(Hansard)**

**Mercredi 18 juin 1997**

**Standing committee on  
estimates**

**Comité permanent des  
budgets des dépenses**

**Ministry of Health**

**Ministère de la Santé**



Chair: Gerard Kennedy  
Clerk: Rosemarie Singh

Président : Gerard Kennedy  
Greffière : Rosemarie Singh



### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Wednesday 18 June 1997

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mercredi 18 juin 1997

*The committee met at 1533 in committee room 2.*

## MINISTRY OF HEALTH

**The Vice-Chair (Mr Rick Bartolucci):** Could we bring this meeting to order, please. I'd like to welcome Dan Newman, the parliamentary assistant to the minister. As we know, the minister is not available, so Dan, welcome to the committee.

We will continue on from yesterday. The Liberals have 12 minutes left in their 20-minute presentation, so I'll turn it over to Mr Kennedy.

**Mr Gerard Kennedy (York South):** We left off yesterday with the restructuring commission. I'd like to turn to some of the details of its operation, with the assistance of Mr Newman and the deputy. I wonder if you could tell us, because it's not self-evident in estimates, what is the cost of the restructuring commission? What is its budget? Does it have staff who are seconded from elsewhere? How does it function in terms of its appropriation, how much money does it have and so on? I wonder if you could give us a general outline of that.

**Mr Dan Newman (Scarborough Centre):** I'll ask the deputy for that.

**Ms Margaret Mottershead:** The budget for the commission for the year just ended March 31, 1997, was \$1.9 million. The allocation for that is in the vote called "hospitals and related facilities." It's not listed as a separate line, just like hospitals aren't individually listed in terms of their allocation. So it's the aggregate amount required for the operation of hospitals and related facilities and ancillary programs like the commission.

The commission, as you are well aware, is an arm's-length organization. The members have been appointed by government, and its staff come from a number of sources. Some are direct hires and employees of the commission and others are seconded from a number of organizations, including the hospitals, the ministry and health care agencies.

**Mr Kennedy:** How many staff would that add up to in total, and can you separate the ones who are direct employees of the commission and how many are secondments?

**Ms Mottershead:** I don't have that information right now, I'm afraid. I don't know what their total number is and how that splits out.

**Mr Kennedy:** Is there any idea about their use of consultants? Would that be something they would pay for themselves directly? We know about the Hayes consulting group, we know about other ones that have been central to a lot of their considerations. Is that budget again part of the \$1.9 million we're talking about?

**Ms Mottershead:** Yes, it is. Professional and consulting services, including technical services, are funded from that budget of \$1.9 million.

**Mr Kennedy:** We understand from the commission that their actual expenditure last year was something like \$2.3 million. Can you confirm that while their allocation was \$1.9 million, they say the year ended at around \$2.3 million? Is that accurate?

**Ms Mottershead:** Their financial statements — and they'll have them audited and submitted to the ministry in short order — have a budget of \$1.9 million.

**Mr Kennedy:** So there's a distinction between the budget they were allocated and the money they spent. You're saying the money they spent is actually \$1.9 million?

**Ms Mottershead:** I believe, and I'll have to confirm this, that the initial allocation was less than \$1.9 million.

**Mr Kennedy:** Could we have made available those financial statements? Is that something that can be made available?

**Ms Mottershead:** Yes, we can make the audited statements available and we'll commit to do that.

**Mr Kennedy:** I'd like to talk a little bit about FutureShape. That's the ministry's own internal re-engineering project. Can you tell me a bit about its cost? It's meant to reshape how your ministry functions. Can you give us an idea about what that is going to take in terms of dedicated dollars to bring it about?

**Ms Mottershead:** We did tender last year for the services of a company experienced in re-engineering to come in and give us some advice on that. The company that was selected was Ernst and Young. Phase 1 of their report with us has been completed. It recommended our looking at a number of areas for re-engineering in areas of information technology, communications, issues management, policy and planning and excellence in organizational structure. In other words, what they've asked us to do is not just to change the boxes on an organization chart but to actually look at how we do our business and how we can re-engineer every aspect of that business.

**Mr Kennedy:** How much was Ernst and Young paid for that phase 1 report?

**Ms Mottershead:** I don't have the specific numbers with me right now, but I believe it was in the ballpark of about \$200,000.

**Mr Kennedy:** Is there a further contractual arrangement with that consultant? Will they be involved in phase 2 or the implementation of FutureShape for the ministry?

**Ms Mottershead:** The tender did specifically state, and they bid on the notion, and so did all the other companies that bid, that there would be follow-on work and phase 2.



We haven't concluded the contract on phase 2. One of the issues we're addressing right now, and that's why I can't give you a number, very clearly is related to how much of their time we're going to use in actually doing the re-engineering work inside the ministry for each of those committees and tasks that I have outlined.

**Mr Kennedy:** Of course, Ernst and Young includes Andrew Vaz as a principal, I believe, of that practice at Ernst and Young.

**Ms Mottershead:** That's correct.

**Mr Kennedy:** His typical billing hours are around \$2,000 to \$4,000 a day. Would that be applicable in the case of what he's done for you or would there be some other rate that we can understand he worked for?

**Ms Mottershead:** He has his rate, but given that this is a huge project, there was a significant discount that was applied to the rate they normally charge for this type of work. It is the first real re-engineering activity of any Ministry of Health in the country, and for that reason they felt that kind of experience was worth a significant discount to their fees.

1540

**Mr Kennedy:** So it might be worthwhile for us to know, given the first-time nature of that, what the costs all-in will be. Will those costs be made public at different times in terms of that particular arrangement? I think you appreciate that it is important for people to know about FutureShape, that there is an effort by the ministry to keep up with health reform by reforming itself. But I also think people in these times of scarce dollars want to know, and you've outlined for us some of the reasons why it's a necessary expenditure, what that cost is going to be. Is there anything you can tell us about what that overall project is likely to cost? You said the exact tender hasn't been finalized, but roughly what do you think it will be?

**Ms Mottershead:** The contract hasn't been finalized for the second phase. The tender —

**Mr Kennedy:** Did the original tender specify a range of costs?

**Ms Mottershead:** No.

**Mr Kennedy:** Is there anything about the total scope of that cost that you can tell us today?

**Ms Mottershead:** Again, there are a lot of variables, so I don't want to give you any information that might be construed as misleading down the line when some things change. The variables are directly related to how much effort the ministry, through the ministry staff, is going to be providing versus how much hand-holding by the consultancy, or leadership from the consultancy side, is required from Ernst and Young.

Right now, the ministry is planning to establish three work teams with dedicated ministry people dealing with the issues that I've mentioned, like policy and planning, information technology, communications and organizational excellence. I'm in the process of identifying those resources internally, and we are in the process of having a conversation with Ernst and Young, our supplier, to determine, now that I've identified these many resources, how many additional expert resources we need from the outside company. They're going to have to go through a process with us of determining what skills I'm bringing

to these teams, what they offer, and then figuring out exactly what else will be needed. So I can't give you a precise number.

**Mr Kennedy:** Just around the administrative practices in the ministry, is it the ministry's practice to have secondments from other organizations, people working in the ministry?

**Ms Mottershead:** Yes, it is.

**Mr Kennedy:** For example, you recently replaced your ADM for institutional health. Is he there on a secondment from somewhere or is he a direct employee of the ministry?

**Ms Mottershead:** He's on a secondment from a hospital. It's not unusual. It's not the first time I've hired someone for that position who has come from outside of the ministry and from the hospital world. There have been two other people who have fulfilled the same function.

**Mr Kennedy:** Just in connection with Mr Sapsford, he was originally an employee of the OHA, if I'm not mistaken, or was he still on secondment at that time? He went from the OHA —

**Ms Mottershead:** He was a direct employee of the OHA. He left there —

**Mr Kennedy:** But now he is on secondment from another institution, if I'm not mistaken.

**Ms Mottershead:** He left the OHA and became an employee of the Toronto Hospital. Subsequent to that, I was able to convince him that a move to the ministry was appropriate.

**Mr Kennedy:** You have cited precedents. I would be interested to know what they were, so if that information could be tabled, that would be great. But if he is at one time the person in charge of institutional health for the whole province and all hospitals, and at the same time an employee of one of the hospitals, doesn't that create an impression of conflict of interest? Doesn't that give rise to some difficulty in terms of credibility within the hospital community, and how is that handled within your ministry?

**Ms Mottershead:** It's handled directly. In the secondment agreement we have very, very strict confidentiality clauses. For example, they have to swear to hold everything secret and not to divulge any of that information, and it's quite explicit in their contract. The purpose of that is to totally eliminate —

**Mr Kennedy:** Would it be possible to table the terms of that agreement here?

**Ms Mottershead:** I can give you the standard paragraphs.

**The Vice-Chair:** We'll go to the third party.

**Mrs Marion Boyd (London Centre):** I'm sorry that Mr Wettlaufer isn't here and that the minister isn't here, because there was an issue that arose yesterday, and just the way the conversation went, we didn't get back to it.

Mr Wettlaufer had asked a question yesterday which essentially was about the rationing of health care services. He basically asked about the numbers of hip and knee replacements and whether there were some rules that governed who would get those operations, given that there were many more people than the 1,200 that there are dollars for. If you'll recall, the minister sort of did a

double take and said this was a tougher question from his own caucus than — and we just didn't go back to talking about the reality of rationing health care services.

I think we should do that as part of the estimates, because the reality is that we do ration health care services in the province. We fund numbers of procedures — numbers of heart surgeries, numbers of dialysis, numbers of orthopaedic operations and so on — and we all have to recognize that there is rationing of health care services.

The minister went on to say that the way in which that rationing is done is it's left up to the physicians. I guess I want to ask the parliamentary assistant whether he believes it is appropriate to leave up to physicians the way in which those decisions are made about rationing health care services. Should physicians be making those decisions by themselves?

**Mr Newman:** I guess I don't agree with the notion that there is rationing of health care services. I think everyone who needs a particular procedure or medical service provided gets that service in the province of Ontario. So I don't agree with what you're saying, that there is a rationing of services.

**Mrs Boyd:** The minister didn't seem to have any problem with it. He said very clearly that we cannot provide procedures to everybody who needs them and that, yes, definitely there are guidelines that guide physicians in how to make decisions about that. He didn't have any problem with that question. He said we cannot afford to do everything that we can do for everybody who comes looking for it. We all know that's true. I don't think we should be defensive about that. I'm not trying to put you on the hook on this.

I think the reality is that we can only do so many heart surgeries if the money that's allocated only provides for that many. Isn't that true? So if we have an increasing number of people who require that surgery, there are going to have to be some very serious decisions made about who is going to benefit the most from that surgery. This is not a trick question, quite seriously.

**Ms Mottershead:** Can I just say that I don't have the same recollection of the minister having appeared to agree that there is rationing.

**Mrs Boyd:** We didn't use the term, but the term —

**Ms Mottershead:** What he did say is that there are guidelines and we fund a number of services based on the volume that actually happens, but no one who needs it is turned away in terms of receiving medical care. There is no rationing on that basis, and I think that's what the minister had clearly intended in that discussion.

**Mrs Boyd:** The minister then went on and he referred to, I believe it was, the member for Wentworth North, that he was present at the opening of his dialysis service and that the minute that opened, there was a waiting list for those services. Right?

**Ms Mottershead:** We do have some waiting lists, yes.

**Mrs Boyd:** Yes, and there are certainly waiting lists for heart surgery, we know that, even with the money that you have put in, and there are waits for cancer treatments. One assumes that decisions are being made about who needs to have those immediately and who is able to wait.

**Ms Mottershead:** That's right.

**The Vice-Chair:** Mrs Boyd, could I ask you again today — thank you.

**Mrs Boyd:** This is a very annoying room to try and work in.

**The Vice-Chair:** It really is, Mrs Boyd, but we're stuck with it.

**Mrs Boyd:** Perhaps if that other microphone were on, it would solve the problem.

**The Vice-Chair:** Could you try that?

**Mrs Boyd:** I'm not comfortable looking this way when I'm talking to people in this direction.

**The Vice-Chair:** I understand the difficulty. Let's try the second one and see how it works as well.

**Mrs Boyd:** I certainly recall the minister saying that we have so many resources and we have to allocate them and that he believed it was appropriate for doctors to be making that decision. We can check Hansard, but certainly that was the sense of his discussion.

My question is, if those decisions have to be made — and we know from the stories that when those decisions are made and some people don't get a procedure, some people have to wait for a procedure, they in fact die before they get that procedure. The reality is we have the same problem that any other jurisdiction has. If we've got a budget and we've got more demand than our budget allows us to do, what happens? Normally our waiting lists grow. There may indeed be an adverse effect on patients as a result of that. I appreciate that there's every effort to try and deal with that, but there is a reality that we can't serve everybody. All I'm saying is, do you think it's appropriate that doctors alone make that decision?

1550

**Mr Newman:** Yes, I do, that doctors make those decisions. When I answered the question about rationing, I guess I hadn't used that term to describe it, because I've always felt that the services are there for those people who need them. But the doctors in the end make the medically necessary decisions.

**Mrs Boyd:** But let's be very clear. If you have allocated a certain number of dollars — and let's use heart surgery because it's the one we've been talking about most frequently and the one the minister is most proud of having given more dollars to. You have so many dollars for heart surgeries and those are allocated. Different hospitals are given the number of procedures they are authorized to perform. Say in hospital A they are authorized to perform 26 bypass operations in the fiscal year, and they perform all 26 in the first six months of the year and there are 90 people on the list waiting for this kind of procedure. What happens? Do those people on the waiting list get the procedure or don't they?

**Mr Newman:** I'll ask the deputy to —

**Ms Mottershead:** We have some situations in cardiac services and dialysis and so on that if there was a capacity in the system and they were able to do more — obviously the system works to get all the emergency cases done first and then moves to the next level of severity and acuity, and then it moves to the elective kinds of things. The services need to be done but they could take a year or two years or whatever; it'll ease



some discomfort but it's not life-threatening. That's the way the system works.

If, in the theoretical situation that you've presented, a hospital came to us and said, "We know we have capacity that we can do X more," then there is a process of negotiation. In fact at the end of every year, for cardiac services, dialysis, trauma and other volume-funded programs, there is a process of reconciliation so those that have done more get funded, those that have done less lose some of that money to pay for those that have done more.

Just to give you an example on the cardiac side, every year the Cardiac Care Network, together with the hospitals, for example, in Toronto, will sit down with the Toronto Hospital, St Mike's and others and say, "What volume can we handle?" It's not just a question of money and how much we're able to fund, it's a question of the capacity in the system: How many cardiac specialists do we have, cardiac surgeons? How many people are required in the intensive care unit? How much time do we have in our operating rooms and suites and all of that kind of stuff for hearts versus something else? All of that planning is done and a decision is made to do a volume, say, 250 cases here, 500 there, and that's the way we establish the initial planning targets.

Then during the year, because you do have a lot of things — you have some hospitals that may have doctors who go on leave or you may have situations where someone's committed to do some upgrading on continuous medical education, so there are some shifts that occur based on availability of cardiac surgeons. We do that reconciliation at the end of the year.

I think in terms of cardiac there has been a tremendous effort to put a lot of resources here. I know in a couple of cases we've had to deal with the question of opening up and establishing more operating rooms to deal with the volume because there just hasn't been the capacity, physical in this case, and also the human resource capacity, to deal with the kind of volume we have. Just to round out that picture a little bit.

**Mrs Boyd:** The point of my question is, you don't believe that this ought to be a public policy decision. You believe it's okay for these decisions about who gets served and who doesn't to be strictly done by doctors. Is that what I'm hearing?

**Ms Mottershead:** In terms of these procedures being medical procedures, it's hard to think of who else would be better equipped to make that kind of decision. If there are some suggestions on how we can improve the system by actually making some recommendations or giving us advice on who else should be involved, I think the government would be open to having that kind of suggestion brought forward.

**Mrs Boyd:** I'm not suggesting it, but certainly other jurisdictions have taken a public policy viewpoint in terms of utilization. They've made decisions as a jurisdiction and made very clear and public what kind of limitations there are in service. That's happened in the UK; it's certainly happened in Oregon. This is what I'm trying to get at. What we're saying here and what I understood the minister to be saying — and this is why I'm kind of pursuing it — is that somehow we're saying in this

jurisdiction that it's okay by us for those decisions to be made strictly by physicians; that this isn't a public policy matter, it's strictly a medical matter.

I guess there's a little bit of a concern about that, particularly where it fits into the reality that we cannot do all we could do. All of us, when we talk to doctors, know that they say if they had X million more dollars they could do X more. There's much more we can do technologically than we do, because we can't afford to fund it, and that makes the decision about how we choose to do what we do that much more important, doesn't it?

I think there should be a combination of medical decision-making and public policy decision-making around how those decisions are made, because particularly the way we allocate our dollars in this province, allocating the dollars to particular regions and particular facilities, how can we have any sense that there's any kind of equity when we cannot provide all procedures to all people? We know we can't. That's just a given. We can't do everything we could do, and we don't seem to be prepared to ask the question, just because we can do it, should we do it? Everybody shies away from that.

I'm just saying that I got a very strong feeling from the minister yesterday that he didn't think this was a public policy issue, and I think it is. I just wanted to get a sense of whether that's where the government is coming from.

**Ms Mottershead:** The Minister of Health has also stated on a number of occasions the fact that he wishes to implement a quality council. The composition of that quality council will have members of the broader community, it'll have academics, it'll have some professionals and their colleges and so on. Clearly one of the things that we are looking at in terms of a role for the quality council is to look at some of the issues that relate to the physicians alone making the decision without perhaps having all of the right supports or all of the right tools or all of the right research.

In that context, we will be forwarding to the quality council the information that ICES produces in terms of its research that will look at the rate variations in terms of why some physicians perform this kind of procedure precisely this way in this particular area versus slight variations to the same procedure in a different part of the province by other groups of physicians. It's that kind of question. I think once the quality council is established, we will have a much more public kind of discussion in terms of what are all the influencing factors around medical care and decision-making and the like. That body is going to be quite instrumental in trying to bring a better level of stability and consistency in the application of procedures and decision-making by physicians.

1600

**Mrs Boyd:** I think one of the issues in terms of the massive restructuring that's going on and the concern that we all have expressed is around utilization rates and the variation in utilization rates and how that affects the availability of a consistent delivery of health care services to all the needy populations of the province, not just some. That really concerns us. We hear stories every day about how people seem to jump queues when it comes to different procedures in their own area because of who

they are. Who knows whether those are true or not, but that is sort of common street talk, that in fact who you are counts more than how serious your condition is.

I think the way to counter that and the way to make sure that you get a public belief in your system, that your system is operating in terms of who requires the assistance — as the parliamentary assistant said, if you require the service, you should get it, rather than, if you happen to be an influential member of the community, you get it. I think that would relieve people's minds if there were some process whereby people understood how those decisions are being made. I think particularly when we get into those very difficult areas of life support, both at the end stage of life and in trauma situations, that kind of decision-making becomes even more important.

One of the things that has been found in jurisdictions that have gone through a restructuring of health care is that if there is transparency around the principles that guide decision-making, and public agreement, public consensus that those are the priorities, and public consensus around the notion that you have to triage your care in some instances and that there are very clear criteria that are followed, I think it builds more acceptance around it.

Emergency care and end-of-life care are the two areas where this is a real touch button. We know it is in Canada, with the kinds of cases we've had around assisted suicide and that sort of thing. We know that we have to start talking about these issues a little bit more openly and really talking about them in the context of whether we can afford to do what we technically can do, whether that really is bringing quality of life and is improving the general health of the population.

The older we all get, the more important that is, because if you have a physician-driven system where physicians are taking the position very strongly that their job is to prolong and maintain life at all costs, you have a very different kind of approach to end-of-life scenarios than you do in a situation where you're not taking as aggressive a position, and certainly a different cost factor, because we all know that the highest cost generally comes in the last six months of life.

That's why we need to start talking a lot more clearly about the principles that we have around palliation, around decisions not to have treatment or to withdraw treatment. We started to get into a bit of a discussion of that around the consent-to-treatment provisions last year and we found that there were really very distinct views within our society around whether you always aggressively pursue cure, even when none is available, or whether you look at a quality-of-life scenario that agrees that palliation is sometimes acceptable.

I think when we're talking about estimates, that's a huge cost factor. It shouldn't be the only factor, but people think it is the only factor if we're not talking about the other factors.

**The Vice-Chair:** Thank you, Mrs Boyd. Your time is up. We'll move to the government.

**Mr Marcel Beaubien (Lambton):** I'd like to talk about laboratory services. I guess I can relate it to my community, which is probably a mirror image of what occurs in the rest of Ontario. We seem to have a mish-mash of services, some provided by the hospital, some

provided by walk-in clinics, others provided by small laboratories in doctors' offices. Can you enlighten me as to how you fund them and why you allow the proliferation of a whole difference of laboratory services in the communities?

**Ms Mottershead:** We have three types of laboratory services in the province. We have commercial laboratories, and there's a whole host of them that provide that service. They're out in the community, and the funding for those are in the vote called "health insurance." There's that group of laboratories.

We have, as you well know, laboratory services and programs in hospitals. That's another level of laboratory service. We also have government-run laboratory services in the public health area and eight regional laboratories in the province that are funded directly and operated by civil servants. Those are the three levels. In all, if you were to look at the budgets of all of them, it's close to \$1 billion that we spend on laboratory services.

In the last year and a half or so, we have looked at what has happened to laboratory services in other provinces; looked at how they have tried to restructure their laboratory systems; looked at how much it's costing us in Ontario versus other provinces in the provision of laboratory services; looked at the human resources issues in that field, where we have laboratory technicians and technologists and pathologists in hospitals who supervise the labs; looked at the changing technology, because laboratory instrumentation is getting to be very sophisticated. We know of at least a couple of Ontario companies on the commercial side that really have become world leaders in terms of robotics and laboratory instrumentation. We have looked at what those changes mean with respect to laboratory services and the human resources side of that business.

We engaged an expert group from outside the ministry that represents a number of laboratory interests — hospital, public and private — and the Ontario Medical Association with their laboratory proficiency and testing program to look at how we might restructure some of the system, because there is to some extent some duplication when you have three different players participating in the same field, to see if we can get, over time, to a process where we have a regional laboratory activity where all the high-volume business can be done, and have a distributed network of specimen collection centres where you actually go and get your blood taken. That's very local because that's where the first interface is with the community. You want those to be available locally so it doesn't inconvenience anyone and there is immediate access. But the actual testing can be done in a more regionalized context by only one of the players in the system, not necessarily the three, to have a more efficient system.

That whole process of restructuring on the laboratory side is going on right now. The ministry has a number of papers that have gone out for consultation, and we're basically waiting for some feedback from the players as to the direction.

1610

**Mr Beaubien:** I'm glad to see that you recognize the fact there has to be some rationalization in the system,



because, as you pointed out, laboratory equipment is very expensive, very intricate, and you need people who are qualified to operate it.

The point that disturbs me is the fact that there is an awful lot of competition in small communities to bleed a patient, to do a CBC on the patient, when two blocks down the road you have a hospital which is properly staffed, but yet we have a doctor's office — I know the way to get around it is that you pay a high rent to have a private lab operate within your own medical premises. These things are happening. I'm glad to see you've realized that something has to be done. When can we expect something? I don't think we are getting good value for our money with regard to lab services in Ontario.

**Ms Mottershead:** We are in the process right now, and I believe an RFP has been issued recently, of getting a consultant mediator who can actually look at what's happening in the hospital restructuring communities. We want to also link the laboratory restructuring activity with the kind of restructuring that's going on in the hospitals, because what is happening in some cases is that a number of the larger private laboratories are offering management services to the hospital. They're actually going in and running the hospital-based laboratory services. There's a lot of activity happening there.

As the licensing authority for that we are becoming quite concerned about the number of licence requests we have for moving businesses around. In the restructuring communities, Thunder Bay, Sudbury, London and so on, we hope to get someone in to broker that whole thing, get down to what makes sense in terms of the community, where the central service should be, whether it's hospital based or whether it should be in the private sector, and make those recommendations to us.

**Mr Beaubien:** To follow up on Mrs Boyd's point with regard to funding and the delivery of services and who supervises it, when it comes to laboratory services, you have a physician who will order certain tests; you have a pathologist who is in charge of the lab. In order to build that number of units — I don't know what you use today to qualify for transfer payments, but I know a number of years ago it used to be units.

The physician may order a haemoglobin or a white blood count, but the pathologist comes in and says, "Do a CBC on the patient." The reason you do a CBC on the patient is because the lab gets more units. What balances and checks have we got in the system to prevent this from happening? It happens on a daily basis. I'm just talking about a simple blood test. There are other tests that are much more costly that are done and don't do anything for the patient; all they do is elevate the number of units in the hospital so the hospital will qualify for a higher level of transfer payment. What balances and checks have you got in the system?

**Ms Mottershead:** On the hospital side it doesn't quite work that way, because the laboratory services are funded as part of the global budget of the hospital. Where it does come into play is in the commercial labs. We know what the top 10 billing codes are. We track them on a fairly frequent basis. We do audits and spot checks. In our agreement with the Ontario Association of Medical

Laboratories, we have a qualifier on volume discounts so that if too many of these things or certain tests are ordered and produced, then we have a penalty that clicks in and a discount modifier that actually starts discounting a lot of the billings where there is a huge volume that may be questionable. All of those things come into play. We rely on audits. There is a significant recovery activity that happens once we go in and find that kind of thing happening.

**Mr Beaubien:** But you have no system that micro-manages the area or the hospital or the particular lab, you just basically do it on statistics at the ministry level?

**Ms Mottershead:** That's right.

**Mr Beaubien:** Do you think that's efficient?

**Ms Mottershead:** You can't penalize the laboratory itself performing that function. The key gatekeeper in all this is the physician, because it's only the physician who can order the test.

One of the initiatives we have on the books and in play right now is a tripartite committee between the laboratories, the Ontario Medical Association and the ministry to actually look at how we can change physician behaviour, how they can be better educated in terms of what tests are really necessary, how we can influence. Just one simple activity, changing a box on that form, has tremendous implications, because the tendency in terms of providing a diagnosis is, "Let's tick off all the tests we think we should do, because we have no idea at this point what the patient is presenting himself or herself with," and therefore the whole test.

We have done a couple of minor changes in the past on that front, and it has made a huge difference. If we make the physician request the test rather than providing a box to tick, it really has them stopping and thinking: "What could be the problem here? What is the test that is most appropriate to help me or inform me about what's wrong with the particular case?" They have to think about it a little bit more than just, "Gee, I'll do this or I'll do that." That's one of the things we are discussing with them right now. Hopefully that'll have some impact.

**Mr Beaubien:** Good luck. Because if you don't enforce or be a little more proactive with the process, it's going to be a process of elimination when it comes to laboratory services as opposed to the process of zeroing in as to where the problem or the medical problem may exist.

**The Vice-Chair:** Just before we go to Mr Pettit, Rosemarie Singh would like to know what a CBC is.

**Mr Beaubien:** It's complete blood count.

**Mr Trevor Pettit (Hamilton Mountain):** I'm pleased to see the parliamentary assistant here today.

**Mr Newman:** I'm pleased to be here.

**Mr Pettit:** In these times, obviously dollars are scarce and we have an aging and growing population. I guess everyone would agree that we have to make sure every dollar gets to the front-line care. I'm curious what type of fraud control you have within the ministry. Can you tell us if you have any estimate at all in terms of dollars as to how much fraud there is within the system? Do you have any targets in terms of reduction of fraud?

To extend that a little bit in terms of, let's say, a physiotherapist as an example, my doctor says I've got to

go for physio. I go and he gives me a TENS machine or a hot pack or whatever the case may be. How does the ministry know, or how do I even know for that matter, that he sometimes does not bring me in two or three times more than I actually need to go? How do you monitor that type of situation to make sure they aren't perhaps extra-billing or giving the extra treatment that I don't need, which in effect is taking dollars away from the system. Is there anything to monitor that other than an honour system within any of those areas?

**Ms Mottershead:** What you have in the whole spectrum of fraud or misuse or abuse of the system is three elements, basically. The first element is to do everything in everybody's power to prevent that occurrence in the first place. There's a preventive program. In health, that preventive aspect is focused around registering eligible people for their entitlements through the health card.

We have made a number of changes over the last couple of years. Some of it started certainly with the previous government in making sure that the eligibility is really tight, making sure that the kind of documentation that's acceptable when you're registering people is really tight and soundproof. There are times when we get criticized for being too strict, but that's all part of trying to make sure that only those who are eligible for the health card are the ones who get it.

The second component of that is a program we have on monitoring and control. We have a dedicated unit that actually looks at billings, looks at frequency of billings, not just physicians' but other providers' as well; has an algorithm that's been developed to know if that particular billing pattern is consistent with the general population of physicians or other practitioners or whether it's inconsistent. That raises red flags and those names are pulled out.

We have a process of verifying. On a random basis, thousands of letters go out every month to people receiving services to say, "Can you confirm for us that you in fact have received that service," and you'll give us the information we need to know whether a patient record and file and health card has been used by practitioners, when they've only seen them once, to try and collect two or three times. That's a verification process.

We also have through the MRC, the medical review committee of the College of Physicians and Surgeons of Ontario, where the general manager of OHIP is informed through the monitoring process that there are some irregularities with some of the billing practices. They're sent to the medical review committee as well.

At the end of the process, the third stage, is the actual investigative work where there is enough evidence to bring it into the purview of a criminal investigation. The people in the investigation unit have status as special constables and therefore they're able to gather evidence and that kind of thing to prepare a case for court or turn it over to the police and so on.

I believe Mr Newman has some other comments.

**1620**

**Mr Pettit:** I wonder, though, is there any dollar figure put on fraud within the system, approximate or estimated? Has anybody ever tried to speculate, if you will?

**Ms Mottershead:** There has been speculation in the past, but it's been just that.

**Mr Pettit:** So nobody really knows.

**Mr Newman:** What might be able to answer your question is the fact that the minister has hired Norman Inkster, the former commissioner of the RCMP and the current president of KPMG investigation, security division, to conduct a special investigation into health care fraud and to make recommendations for —

**Mr Pettit:** Is that a result of some rather large figures being bandied about in terms of the fraud in the system?

**Mr Newman:** It's a matter of the government doing the responsible thing in looking at health care fraud. The minister has asked Mr Inkster to provide a preliminary investigation and to report back to him within three weeks on the scope of the possible investigation that might be needed. The minister's also requested Deputy Minister Mottershead to instruct all Ministry of Health employees to cooperate fully with Mr Inkster and KPMG.

Since 1994-95, the number of doctors registered to verify health cards by phone has increased by over 1,300 to 17,600. The number of swipe verification units in doctor's offices and hospitals has increased from 15 to 179. There are some improvements there. We've also signed agreements with the Registrar General and Immigration Canada, along with other provinces, to ensure our records are constantly being updated.

We've also worked with the RCMP and provincial and local police services to eliminate and retrieve duplicate or invalid health cards. These two initiatives result in over 14,000 corrections per month to our health care records. It's something that's very positive that's been happening. The computerized registration system was upgraded five months after we were elected. That was done to identify and eliminate duplicate registrations that have been happening.

The minister's also taken the unprecedented step of suing a US-based health care company, National Medical Enterprises, to recover the costs of alleged fraudulent out-of-country addiction treatments that took place in the years previous to our taking office in 1995. I think the NDP deserves some credit for stopping payment on these services in 1992.

**Mr Kennedy:** I'd like to come back to some of the questions we've already talked about in a little bit more detail. Is it possible to get a copy of the plan you have for your ministry for FutureShape? Is that something we could see for a better understanding of what is under way in your ministry?

**Ms Mottershead:** It's possible to share with you some of the recommendations in the phase 1 work that has been done. That particular piece of work actually resulted in my announcement of a new organization in the ministry on April 7. We are trying to work towards an integrated health system. One of the places we wanted to start the integration was inside the ministry. We moved in that reorganization to put together community services for mental health, hospitals, ambulances, public health, all under the direction of one individual.

**Mr Kennedy:** Would it be possible to have the actual report?

**Ms Mottershead:** I can give you some information. There are some elements of the report which at this point are advice to myself that I don't think I'd like to make



public. I can give you some portions of it to give you a sense of the direction and what the issues around the re-engineering will be and the approach to how to do it. I'll have a look at it, see if my lawyers agree. There's some proprietary information in there.

**Mr Kennedy:** You paid \$200,000 for the report but some of the information still belongs to Ernst and Young?

**Ms Mottershead:** Some of the techniques that will be used in that, and also what we call the end state of where we want to be, are in there as well, and I'm not sure at this stage there is any sort of government approval for that. It was strictly advice and recommendations that I wouldn't want to make public at this stage.

**Mr Kennedy:** But some of the information that has been worked on remains the property of Ernst and Young, the proprietary information of Ernst and Young. Is that what you're saying?

**Ms Mottershead:** Maybe that phrase is not the accurate phrase. What I'm saying is I want to be clear that it's all right to share some of that information in terms of the approach.

**Mr Kennedy:** In the instance of Mr Sapsford, who is your new ADM for institutional health, you indicate that he is on secondment. I gather that is from Toronto Hospital. Is that correct?

**Ms Mottershead:** Yes.

**Mr Kennedy:** What were his duties with Toronto Hospital?

**Ms Mottershead:** I believe he was chief operating officer.

**Mr Kennedy:** What salary would Mr Sapsford be paid?

**Ms Mottershead:** I believe that information is in the public disclosure that I made at the beginning of the year. I'll have to look that up.

**Mr Kennedy:** Could we have that information today? Is that possible?

**Ms Mottershead:** I think it's in the public disclosure. We'll look that up and find it.

**Mr Kennedy:** I'd appreciate that. Coming back to the nature of the agreement you have with Mr Sapsford, you say you're able to give us some clauses in that agreement on how he's protected from a conflict of interest, so he's able to act fairly on behalf of all the hospitals despite being employed by one. Are there other people who have been in his exact same position before with that kind of conflict to manage and, if so, what are some of the most recent examples of that?

**Ms Mottershead:** The most recent example was Mark Rochon, and before that, Mr Barry Monaghan. Mr Rochon was president of Humber Memorial and he was seconded for a period of 18 months. Mr Barry Monaghan was the CEO of West Park Hospital and he is still there. He came in for I believe a period of about 18 months and went back to his hospital.

**Mr Kennedy:** West Park, in my riding.

Coming back to Mr Rochon, is Mr Rochon an employee of the commission or is he also on secondment from somewhere else at the moment?

**Ms Mottershead:** Mr Rochon is, to my knowledge, a direct employee of the commission.

**Mr Kennedy:** So you're referring to his period with the ministry when he was also president of Humber Memorial, correct?

**Ms Mottershead:** He was with the ministry on secondment from Humber Memorial back a few years ago.

**Mr Kennedy:** And you will provide us with —

**Ms Mottershead:** I can't give you employment contracts, obviously. They're confidential records, but you are asking for what clauses are in those contracts that protect and we can make that available to you.

**1630**

**Mr Kennedy:** Yes, the public interest. We don't want any private information whatsoever.

Coming to another area, and Mr Newman, perhaps you could help us out here, there was a brochure put out called Putting the Patient First. Are you familiar with that? It talked about the reinvestment concept and the idea is that money that has been spent is being put back in. I'd just like to ask you about that.

In fiscal 1996-97, there were cuts to hospitals of \$435 million and only a certain amount of money was put back in. Is it your contention, just to go broadly with this and so on — there's a lot of listed money here that for the estimates purpose, for the money we're looking at right now, we're basically looking at a wash? In other words, is it your contention that all the money that's being cut is also being put back in?

**Mr Newman:** Yes. Actually, I think the argument can be made that more money has gone into health care, that those reinvestment dollars are getting to the patients. You talk about the concept of reinvestments. I think the word you might want to use is the reality of reinvestments. We're actually flowing those dollars to patients, over \$1 billion in reinvestments, and that's more than twice what we've seen in any savings from hospitals to date.

**Mr Kennedy:** Then, Mr Newman, we may wish to talk about the definition of reality. In 1996-97, there was a hospital funding cut of \$365 million. In the estimates the reinvestments identified are \$236 million. The net loss to patient care is \$128 million. Again in fiscal 1997-98, there's a hospital funding cut of \$435 million and there are reinvestments of \$262 million identified and we've also added in the money from one-time growth in northern reinvestment, for a total of \$115 million.

A couple of points need to be made. One is that there is a \$300-million gap in just over two years between the money that has been acknowledged in the estimates as being cut and the money that is being spent. Even ahead of commenting on those figures, do you consider it reinvestment when the money is announced or when the money is actually spent and available to patients and to the care system? Which would you subscribe to?

**Mr Newman:** I guess it depends which government is in office at the time.

**Mr Kennedy:** No, I was asking our own opinion, Mr Newman.

**Mr Newman:** I'm answering that for you, Mr Kennedy, if you'll give me the opportunity. We changed our accounting methods so that when an announcement is made, those dollars are available. I think it's significant that instead of going across the province and making

announcements about reinvestments, we're making announcements and flowing those dollars. That's the difference here.

**Mr Kennedy:** I'd like you then to comment on the figures. I wonder if you would comment on the reinvestments which are identified in estimates, the figures I gave you, and the gap that exists, which is a \$301-million difference between the money that has been cut in real terms, real time, and the money that has actually been put back in services.

**Ms Mottershead:** I'd like to clarify one thing. The \$365-million reduction in the first year and the \$435 million in the second year are theoretical numbers.

**Mr Kennedy:** They're in the estimates.

**Ms Mottershead:** No, the real number in terms of hospital reduction — and you can have a look at the estimates because there were some reinvestments made back — is a much lower reduction.

I want to point out that in terms of where care is given — I mean, you're sticking with the hospitals but the reality is that care is shifting and therefore all of the reinvestments, the over \$1 billion that have been announced so far by the government, more than offset the net reduction of hospitals. I just want you to know that if you were to ask hospitals what they were reduced, they would have to tell you that their overall funding did not go down by \$435 million or \$365 million.

**Mr Kennedy:** As you know, Ms Mottershead, we actually asked every hospital in the province, because your ministry, after releasing a list that turned out to be inaccurate, would not release a list for almost two months. We talked to 200 hospitals. They all were cut by significant dollars. Some of them, not all of them, had some money reinvested.

What I'd like either you or the parliamentary assistant to address for me, if you could — the money that they receive for all kinds of programs, that the whole health system actually got last year, the so-called reinvestments, was less than the money that was taken out. Those are the figures. I'd be happy to see if there is from your ministry a list, using estimates as we have created here, of all the different money that is marked as reinvestment for mental health, for institutional health, population health and so on. We have a total of \$262 million and yet the cuts this year are \$435 million. I would ask if you could address that for me. Is there another list or is that the accurate compilation?

**Ms Mottershead:** What I'm suggesting is you can't look at the hospital vote and talk about the reinvestments.

**Mr Kennedy:** I want to clarify that one point — I don't mean to interrupt, but on that singular point — that this is not just about the hospitals, this is about the whole ministry, and all the reinvestments identified in estimates add up to \$262 million. The most obvious money cut is from hospitals. We could talk about the drug program, which also has been cut, but we're just talking about hospitals, using that as one example.

It's also in estimates. It's referred to in estimates as a cut. We know it nets out differently, but that's what we're talking about here. How much money was actually put back in versus what was taken out in terms of the

reinvestment for the fiscal year that we're going into and the one we just left?

**Ms Mottershead:** Perhaps you'd like to share your numbers, because there is no way I can confirm or deny, reject or accept what you have just said, because I don't know where you got that information from.

**Mr Kennedy:** I'd be happy to go through it with you. I'd be happy to provide you with the figures. What I would like to have from you, if possible, is the ministry's figures based on the estimates of the actual money that has been reinvested, put back in. We have a list here that is identified in estimates for the ministry administration: for the senior secretariat, \$382,000; the blood program, \$8.9 million; clinical education, \$3.8 million; reversing the cut to long-term care, \$37.6 million, and so on. These are direct figures from estimates taken out where they've been identified as reinvestment.

I think the public has a right to know. You spent a fair bit of money on a brochure, and that brochure tries to identify a lot of different things as reinvestments. For example, it includes things like \$170 million in long-term care. We previously talked about it and I'd like to come to it again. When we talk about \$170 million — this brochure, I believe, came out in January. Is that correct?

**Mr Pettit:** On a point of order, Mr Chair: I would request that Mr Kennedy submit to the committee his list of 200 that he has contacted, along with the names of the people who gave him the information that he's talking about. I would suggest that —

**Mr Kennedy:** We have it and you're welcome to it. We've already circulated it to the media. You're welcome to have a copy, Trevor.

**Mr Pettit:** I'd like to see that. Does it list the names —

**Mr Kennedy:** But I think you're taking up a little bit of my time, if I might, respectfully, Mr Chair. I don't think that's a point of order.

**The Vice-Chair:** Exactly, and Mr Kennedy, it's no problem. You know that.

**Mr Kennedy:** Thank you. Coming back to the brochure, this came out in the early part of this year and it talked about reinvestments. But it refers, for example, to \$170 million for long-term care. The actual figures in terms of long-term care expenditures, the money that was there for the agencies last year, was \$735,000 less, not \$170 million more. I wonder if you can help us to reconcile what has happened here.

The minister for months has been talking about — and he made this announcement in March 1996. That was before the fiscal year commenced. We come to the end of the fiscal year and what we find out in estimates is that the actual expenditure is \$2,201,237,923 and that's \$735,000 less than the money that was spent in the previous year.

Your ministry told us they were putting money into long-term care, \$170 million. In fact, you spent less money on long-term care last year. How can the public reconcile what you mean by a reinvestment when there is less money being spent on long-term care?

**Ms Mottershead:** The government put the bulk of the \$170 million, over \$130 million to be exact, into the budget of the Ministry of Health in 1996-97. I would



point you to the chart — that would be, I guess, page 174, it's not numbered — where we have the actuals in 1995-96 being \$1 billion. The funding was increased to \$1.163 billion. It was available. At that point it was made available because once the government made the decision to provide it, as in the announcement, the money usually gets put in the budget.

It was just a question of the distribution and, in some cases, it being called for and, in other cases, getting up to speed with further announcements. I would point out that in terms of the year 1996-97, and then the extra \$25 million added for this particular estimates, that brings us very close to \$170 million in commitments in the actual cash requirements in this budget.

1640

**Mr Kennedy:** My point, Ms Mottershead, is that the government said it would spend money last year and did not. The government is telling us they'll spend money next year. We don't know whether that will occur. What people do know, because they've visited their local hospital, they've seen it, is that hospital has been cut. I think there are two hospitals in the whole province, both of them in York region, that actually net a few dollars more. Every other hospital has been cut. That's reality.

The long-term-care dollars you're talking about were not yet a reality at the end of last year. They take time to implement, we appreciate that, but the minister has made announcements which constitute immediate promises which haven't materialized. That's what the figures show us. We spent \$735,000 less last year; none of it more. I'd like to ask you —

**Mr Wayne Wettlaufer (Kitchener):** — reading those figures.

**Mr Kennedy:** Thank you for joining us, Mr Wettlaufer. I'd like to ask you about the home care dollars, because home care itself is targeted again. We're being promised there's going to be some money for home care, that it's going to come out.

Now, I think as you probably would acknowledge, Ms Mottershead, isn't that money that has been planned for a long time for the expansion of home care? The home care dollars that are being talked about right now, isn't that the result of a plan started under the previous government and only now finding its way to actualization?

**Ms Mottershead:** I think the minister has been on the record that while previous governments, including the one before the last government, did make that announcement, this government has in fact put the \$170 million into the estimates in last year's budget and this year's budget.

**Mr Newman:** I just want to say that I think if you even look at your own constituency, Mr Kennedy, you'll see that money has been spent. I think you would have to agree that areas like York Community Services, \$500,000 —

**Mr Kennedy:** Wrong choice, Dan. They're closing down Northwestern Hospital by October in my riding. I lose an emergency room. I lose operating theatres. I've got obstetricians having to deliver babies in one hospital and do gynaecological surgery in another.

**Mr Newman:** — York West Meals on Wheels, over \$43,000; Nucleus Housing, over \$193,000. That's over \$832,000 in your own riding.

**Mr Kennedy:** Well, Mr Newman, I don't know if you're aware, but some of those agencies — the housing agency — was promised the money twice: once by your minister in February 1996 and again in March 1997. We're tracking every single announcement to see whether the money has flowed, but there was at least an interval of 11 months and no money, not one dollar, went to house those people.

My point, to which I would appreciate the deputy's response, or your response, Mr Newman, is there is a gap here. I would suggest it is problematic at least. We'd like to know what kind of standard you're using when you send out material to try and get the public of Ontario to believe that somehow the money's going to be there in the community to deal with the cuts that are going on in hospitals. Instead, we're talking about essentially old money that's taking a long time to get spent, to find its way into the community.

What the home care organizations in this province would like me to ask you is: Is there going to be new money for home care? Because the only money that's budgeted for this year is the amount they've been told about for a long time. Will there be new money specifically to respond to the closing of hospitals and so forth?

**Mr Newman:** It's my understanding that the money is available and if they call for it, the money is there for them to access.

**The Vice-Chair:** Deputy, would you like to follow up on that?

**Ms Mottershead:** Yes, the money is available. The money is in the budget and part of the reason for the underspending — and I think the Minister of Health is on the record on this as well — is that there hasn't been, in cases where announcements have been made and services have been indicated ready to go, an actual call. I know that at one point there was a lot of frustration on the part of my minister; why weren't we getting the money out? Because he's made the announcement, the money's available, it's sitting in our budget of 1996-97. In some communities it was just that where we thought the services were actually needed, there wasn't a call on it.

In the home care area, there are a number of home care programs and we're just finalizing audits right now, moving into the CCACs example, where there has been significant underspending versus the estimate that they produced themselves.

**The Vice-Chair:** We'll move to the third party. Mr Kennedy, the time is up. Mrs Boyd.

**Mrs Boyd:** Just continuing on with this whole issue of long-term care, I had indicated to the deputy yesterday that I wanted to ask about where palliative care fit into this budget because there's no line for palliative care, at least as far as I've been able to determine.

Going back to my previous question, one of the issues for other jurisdictions, and I think particularly of Saskatchewan, when you are going to close hospitals, you have those two problems: How are you going to deal with emergency services — and we actually had a good discussion here at estimates about the issues around emergency services and how you guarantee people that they're going to have access 24 hours a day to emergency services, at least in the rural area; I think there's still

some concern in urban areas — but the other end of it is what you do in those last days, weeks or months of life, which often tend to be the most expensive parts of the system, and how you manage decision-making around that when frankly we've got a whole community that's really very reluctant to deal with the fact that death is the end stage of life. That really is a huge problem for people.

The palliative care people say that one of the things that distresses them is that when they go to talk about palliative care, the first thing they have to do is assure people that they're life-affirming people. Those of us who've done palliative care know that's true, that it is an affirmation of another stage of life, instead of the denial that goes on.

I wonder, Deputy, if you can give me some figures about where palliative care fits and what the plans are of the ministry to move more vigorously in this area.

**Ms Mottershead:** You're right, Mrs Boyd, in terms of not having a line in this particular estimate, because palliative care services are provided by a number of individuals. They could be under the professional services component, and in fact a lot of them are there; they could be in homemaking, personal support. It's in all of those lines, where the initiatives are displayed.

It's hard for me, unless you wanted to know, for example, what was happening in what specific community, and to get that information from our community care access centres, to let you know exactly the total amount of spending per the estimates on palliative care.

We did have an initiative, and I believe the impetus came from your government, to actually put together a dedicated program specifically aimed at training and education for palliative care. It's about \$5 million that is dedicated. It's not dispersed in terms of who provides and where it is.

I have some information here. The breakdown of that is: Interdisciplinary education, including special initiatives for the native population, is about \$1.8 million of that, and the physician education component another \$70,000. So you've got about \$2.5 million in total on the education component.

What we also have is a volunteer visiting hospice program worth about \$1 million. That is also training and it's an initiative that's related to — a lot of this volunteer. The incredible component of this is the volunteer component, and trying to organize the volunteers and making sure they're available to serve the new cases is labour intensive. Therefore, there was an acknowledgement that we should be funding the coordination. Someone needs to keep the register that these people are willing to provide this kind of support. They need to know where the patients are and where their homes are to be able to make the connections. Quite a few of these agencies — there are about 14 of them that we fund — actually have a staff person who does the coordination on a local basis.

There's also \$1.3 million that is provided for pain and symptom management teams, and again it's a coordinated effort. A lot of clinical activity goes on in a hospital setting and this particular initiative really deals with making sure that people know and have the best informa-

tion possible on the kind of management techniques that are out there, how you manage pain. We also have a coordinating group, again, about 14 in the communities, who actually connect with the clinical teams and hospitals, with the volunteers, with social workers and the whole gamut, including chaplains, for example, and link these people together and say, "It's time to visit Mr and Mrs Jones." At this particular point in that person's life they need to have not just pain management, and therefore the clinician isn't the only one to go this time, but maybe they need some emotional support and therefore a different kind of person can go. It could be a volunteer, it could be a chaplain, it could be any number of people. That's what the dedicated program is trying to do.

I have actual information on the amount of dollars related to that: the total now, \$4.9 million for those kinds of services, by region, and I'd be happy to table those for you.

1650

**Mrs Boyd:** I wonder if you could table that; that would be very helpful.

Certainly my colleague Eric Cline, who is the Minister of Health in Saskatchewan, has been very public and very clear that without their integrated community palliative care program, he does not think he could have closed 58 hospitals. In Saskatchewan, they see the open provision of community-based — in some cases hospital-based but primarily community-based — palliative care as one of the mechanisms to deal with the kind of population you often see in some of the small, local community hospitals: end of life, a bit of pediatrics, perhaps some minor surgery. They feel very strongly that the way to deal with this whole issue of how we deal with the end stage of life is to be very open about the need for a direct policy.

We did begin an effort towards that, but quite frankly in relation to the budget it's a very small amount. If you look at institutional budgets and the number of institutions that offer direct palliative care, they're very few and far between. There was a promise that there would be a palliative care strategy in conjunction with long-term care and chronic care. I simply urge you that in terms of the utilization of our services and the open acknowledgement that we need to look at these issues much more clearly, that is a public policy issue and it's one the ministry ought to be addressing as well as the community.

The reason it's a public policy issue is not just a question of when you try to look at budgeting and rationing of health care services, but the whole issue we're all facing in the legal field. The Morrison case in Halifax is going to bring this whole thing to a head again. It's a very different situation, a hospital-based situation. The Latimer case, the Rodriguez case, these issues are not going to go away and there will be a push towards assisted suicide and sanctioned euthanasia if we don't get our act together in terms of supportive comfort care, palliative care.

They had a seminar in Ottawa last year called Death: The Question of Choice. The federal Minister of Justice sent a representative to talk about the urgency of the legal issues, that they can't be ignored by health ministers any more. They talk about the fact that some physicians insist on aggressive treatments regardless of the state of the



patient. We know that happens. We know that families sometimes insist on aggressive treatment even when a cure is not possible. We know that there are worries about legal liability, and that's even heightened with what's happened in Halifax.

What I'm urging is that this is not an issue that we can allow to just sort of not be dealt with. It's something that people are very frightened of dealing with, the end stage of life. When we have a budget for a health ministry, when we know that the highest costs happen in the last six months of life and we don't even have a line on palliative care, I think it says something for our ability to really look at how we deal with an aging population and how we deal with some of the questions, not only of older people who are in the end stage of life, but those who have had trauma, those who have cancer, those who have AIDS. Those cases are known to all of us. I don't think there would be anybody in this room who hasn't experienced that to some extent or another.

It seems to me that if you look at those utilization rates, if we keep avoiding talking about this whole issue of how we deal with the end stage of life in a way that isn't a denial stage, that's a life-affirming stage, we fall into that other camp where decisions may be made not in the best interests of patients. The discussions that we had around quality-of-life decisions of physicians in terms of the consent-to-treatment legislation become that much more paramount, because there are assumptions about quality of life for people that have no relation to patient choice and that sort of thing.

This conference came out very strongly saying that one of the issues of public health policy ought to be an effort to provide reliable community-based palliative care to every patient who requires it and that if we had that public policy position we could deal with some of these other difficult ethical issues a little bit more easily. So it's a real issue.

Getting back to the costs in long-term care, I share the concern that you say the minister has about not being able to get these dollars out the door. It is really disappointing that, given the need for community support services, for example, which were budgeted at \$129 million, only \$110 million were actually spent. It makes it clear why people requiring those services in communities have some suspicion about whether there's a reinvestment.

I need to be very clear about what you're saying. Are you saying that our communities are failing to follow through on requests for funding and actually communities are failing to get their services up and running so that they can draw on those dollars, or are you saying there's some difficulty at the ministry level of effectively making it clear to communities that those dollars are available? I wasn't clear.

**Ms Mottershead:** It's not simply a case of "Pick one of the above." It's a combination of all of those things. I know that in some communities where the services were offered and in some cases, out of that \$170 million, and Windsor comes to my mind, they were offered the money early and the draw just wasn't there because the services weren't being called on.

In other situations it took a bit of time to develop the program and therefore it was a natural thing that they

wouldn't be calling for the total value of a year's expenditure but only part of the year when they're able to get their professional services in place and up and running. In other cases it was I think a function of the ministry completing some of the reviews in terms of where else to make those investments based on the DHC plans. It's a combination of all of those factors.

**Mrs Boyd:** Moving to the population health and community services area of the budget, similarly we see there plans that frankly make my blood run cold in the public health area, which tends to be the disease prevention control area. In some areas like family planning, you are planning to lower that budget by 25%. In terms of AIDS prevention and control, you're planning to lower that budget by 10%, even though you were overspent last year, and you're keeping some of the other very difficult areas without much change. Tuberculosis prevention, for example, was underspent last year. You have allocated the same amount, but we know that tuberculosis is a growing problem not only in the cities but in native communities. I'm really quite concerned about the impact of a 13% reduction in that particular line which, for people's information, is on page 138.

1700

**Ms Mottershead:** Let me respond to that by saying that this isn't a function of actually targeting those particular areas. What it is a function of is an agreement that was reached by the chief medical officers of health in all the public health units to actually apply a new equity formula, because we did have disparities in terms of the level of spending in municipalities and public health units. Therefore, a consistent equity formula was developed and that particular initiative had the result of bringing down the expenditure level for a number of public health units — I believe the number is about 17 — and that's what's reflected here. It's just reducing the level of expenditure. It's not intended to suggest that we're gutting certain programs and certain areas. It's just bringing it in line.

**Mrs Boyd:** Can you comment on what you anticipate will happen if the municipalities are forced to assume complete control of these programs?

**Ms Mottershead:** I believe the government has intentions of introducing a regime to make sure that public health programs and services will continue to be delivered and fully funded by municipalities.

**Mrs Boyd:** How would you enforce that?

**Ms Mottershead:** I'm sure there will be some consideration for enforcement provisions in any piece of legislation that might come forward.

**Mrs Boyd:** The line on assistive devices, which is on page 154, I see it is overspent in terms of the interim actuals from the estimates last year and that you have added 6% for next year. I'm wondering, in light of the announcement that the Minister of Community and Social Services made that indicated the copayment of 25% on assistive devices for those who come under the rubric of the new plan for disabled persons, whether that has been taken account of in this figure or whether we could anticipate as a result of that seeing an additional increase in that line.

**Ms Mottershead:** Yes, this budget was developed before that announcement was made and there will be funding to deal with the 25% top-up that will be required from the Ministry of Health. It will go up.

**Mrs Boyd:** In the area of long-term care, where we see underspending is most noticeable in the community services part, and we talked a little bit about that, I'm curious as to how we can ensure that those community-based services that are not currently getting the money you have allocated for them — what do you see the ministry, in conjunction with its communities, doing to actually get those up and running? With the urgency that is expressed, quite frankly, in all of the restructuring reports, and certainly the public urgency around having those services available, I'm wondering whether there is a strategy to overcome this difficulty you seem to be having in getting these services up and running.

**Ms Mottershead:** Certainly with the introduction of the community care access centres and the fact that they pretty well all became operational on April 1, I think that will be the vehicle that will make sure the services are in place and they are well coordinated. The funding will be directed to them and in the future they will purchase these services on behalf of the community residents who need them. That's the vehicle, I think. They all know exactly what their requirements are. They have all had to submit plans to the minister responsible for seniors' issues. That whole process is going to expedite and facilitate the provision of services.

**Mr Bill Grimmett (Muskoka-Georgian Bay):** I'd like to ask a question or perhaps ask for a comment about organ donation and organ transplants. While I've had a lifelong interest in this issue myself as a result of enthusiasm for blood donation and organ donation that my father had, I have also received a letter recently from a constituent. I'll paraphrase so that I can set the tone for the question I have. I won't reveal the name of the constituent but I'll just read part of the letter. You may have heard similar letters from other constituents.

"The specific situation referred to is the severe shortage of human organs for transplantation purposes. Every day in this province, people are dying from various accidents or illnesses and their organs are being buried with them when in many cases the organs could be transplanted into a needy person's body and save lives. The major reason for the supply-and-demand problem facing the medical profession and its patients is quite simply that the number of people volunteering their organs is far less than the number of people requiring a transplanted organ.

"The medical profession in Ontario has made such marvellous strides in the past decade in the field of organ transplantation that the potential for saving lives is real compared to the options available 10 or 12 years ago."

This constituent goes on to say, "This matter involves me directly as I'm currently on the transplant list."

I know from my own experience both as a regular blood donor and also in my rural law practice, where I had the opportunity to discuss the possibility of organ donation with people when they were contemplating their wills, that there really isn't a very high awareness in the general public of this issue. In fact, I've been surprised at

the lack of understanding and the lack of consideration that people even give to whether they will make a donation.

I don't know whether you're aware of this, but I think it's a less visible process when you use your driver's licence now because the cards that are being issued by the province are sort of credit-card style cards and there's a separate document that deals with the organ donation.

I have gone through the estimates book in preparing, and I may have missed something, but I can't find any specific references to the issue. I've tried to find items in the estimates that might relate to that, and perhaps you can help us as to whether that's tracked.

I wonder if you would mind, Mr Newman, or the deputy minister, providing us with perhaps some indication of the policy direction that the ministry is taking on this issue and perhaps also some advice on how I might respond to my constituent who has asked just what we're doing.

**Mr Newman:** Thank you, Mr Grimmett, for the question. I'll have to refer that to the deputy minister.

**Ms Mottershead:** We have been working with the Ministry of Transportation on the issue of the card. Also on the new health card, the replacement card, there's a swipe, the bar at the back of the card, where we have agreed we would be storing the information for the organ donation. It is not as simple as it was in the past, where you did have a separate document, you signed it and put it in your wallet and generally people knew that it was with your driver's licence and knew where to go for it.

The MORE program, which does all of the coordination in the area of transplantation, has recently had a new chair in the person of Graham Scott. There are plans to actually increase the educational component to do more targeting. With the changes that are coming down in terms of truck safety and so on, I believe some efforts are going to be made as well in that particular strategy to do some communications. That's about all I have to say for now, unless you have more, Mr Newman.

1710

**Mr Newman:** I just wanted to let you know, Mr Grimmett, that in March of this year the minister made an announcement of an \$11-million reinvestment for dialysis and kidney transplant. That was made in Hamilton. I'm sure the members for Hamilton Mountain and Wentworth East —

**Mr Pettit:** North — East.

**Mr Newman:** I was right. East.

**Mr Ed Doyle (Wentworth East):** Are you trying to confuse me?

**Mr Newman:** No. He is from Wentworth East, I know that. They may be familiar with those announcements when they're made in their communities.

**Ms Mottershead:** Can I just say, though, that it is a public education problem. People who are so distressed at having that kind of fatality happen, really their first thought isn't one to produce consent for organ donation, so it has to be a really critically placed education program.

I must say that the other provinces in Canada are feeling the pinch a lot more than we are in Ontario, so much so that a number of provinces, both east and west,



have tried on several occasions to put the issue of organ transplantation on the national agenda, because they want a registry and they want our organs.

We have a population base that's really sustaining whatever transplants we can, but in the smaller provinces it's a difficult question. We do share organs, because there is a national list and we know when patients need it and that is all well coordinated, but they wanted to be a lot more aggressive so that they could have more from Ontario than what they're able to sustain right now.

**The Vice-Chair:** Mr Grimm, a follow-up or not?

**Mr Grimm:** No, that's fine. Thank you.

**Mr Wettlaufer:** I would like to ask a question on mental health. You may or may not be aware that in Kitchener we are having an increase in the number of mental health beds. It's actually a transfer from London to Kitchener. Obviously my riding is not the only one where this is taking place throughout the province.

What is it costing us — do you have the numbers? If you don't, it's okay, if you could just send them to the committee at a later date — to actually transfer those beds from an area to the home area, where the patients want to be, where their relatives want them? There's that added security because they have their relatives near them, and their friends of course. What is it costing us as a government for that?

**Ms Mottershead:** I'm not sure if I can answer that question because there's a cost related to perhaps the creation of beds, and depending on which hospital you attach those to, whether there is capacity already, some in-bed capacity, that you could redesignate some of those beds and therefore you wouldn't have a cost. It's just transferring, then, the amount of money that was identified and used in London, for example, in moving it to have the services in Kitchener-Waterloo.

It's a function of, is there capacity in the system to designate those extra beds? If not, we have to perhaps create some physical plant to do that. How much would that be? I don't know. The planning process for that whole thing will start, given the directions of the commission, and we'll be in a much better position once we do the functional program, visit the hospitals and see what the capacity is, to give you that information. But we know what it costs to staff and operate a bed, for example. That will be the same whether you're in London or in Kitchener.

**Mrs Boyd:** A point of information, Mr Chairman, if I may. I was at the announcement of the final report on the restructuring, and the commission made it very clear that the operating costs will follow those patients from London and St Thomas but that the capital costs, if any are required, would have to be looked at in the context of those areas when the restructuring commission reports in those areas.

The \$190 million they have recommended for the London-St Thomas area does not include capital costs that might or might not be connected to Kitchener or to Windsor. They were very clear about that. They couldn't give an estimate because they hadn't done that work with the communities in Windsor or in Kitchener-Waterloo.

**Mr Wettlaufer:** A follow-up: These changes are planned for this year, so we are not booking anything on

our expenses unless we have actually spent it — not what we've committed, but what we are spending. Correct?

**Ms Mottershead:** The current estimates that you have in front of you in this blue book are cash estimates, so it's the cash requirements for this year. In terms of the budget, the government has in fact booked — and it was our estimate — \$850 million based on decisions that had been made by the restructuring commission and anticipated directions. So although you may not have here the full cash requirements, they are booked. When the bills come in, they will be paid, and if it's more than what we have in terms of cash, the cash will be provided.

**Mr Wettlaufer:** I thank you, because I think there has been a fair amount of confusion this week and last week over the numbers, especially in so far as what is booked and what isn't booked. That has led to some embarrassment, I believe, on the part of the Liberal health critic. So thank you.

**The Vice-Chair:** That's a little bit of editorializing. I'll let you get away with it. Go ahead, Mr Wettlaufer. Anything else?

**Mr Wettlaufer:** No, that's fine. Thank you.

**Mr Beaubin:** We can talk about Toronto hospitals and London hospitals, but I'd like to talk about underserved areas. I think the Health Services Restructuring Commission has three key ingredients: affordability, accessibility and quality of care. When we look at accessibility of health care in an underserved area, it's very difficult to qualify. At what level you access health care is a question I'm not going to debate here, but I'm sure it's not at the same level that we would receive in London or Toronto.

We've had a plan for underserved areas since — what? — 1969, some type of plan, and I don't think we have been very successful. I could be wrong and my comments may be somewhat biased, but I can only go by what I experience. Mr Kennedy visited my area not too long ago and I didn't see any concrete solutions to the problems we're experiencing coming from him.

The reality of the difficulty is that in most underserved areas the physician population is aging, and we cannot seem to replace the aging physicians with younger ones. Furthermore, I think this government, and quite rightly so, has embarked on a program whereby we are pushing for the nurse practitioner.

I'll give you an example with the North Lambton Health Service whereby they were able to hire a nurse practitioner for six months on contract but they did not have enough funding to hire her for 12 months. That particular individual would have been able to access employment in Toronto for 12 months on a contract, yet I don't think Toronto can be classified as an underserved area. So we're getting a double whammy over here: Not only can we not attract physicians in underserved areas but we are competing with overserved areas to attract nurse practitioners.

We have had a plan in place since 1969 which I think has failed small rural areas in Ontario tremendously. How do you envision to rectify the problem in the future?

Furthermore, I would also point out that we are graduating doctors — I'm told that in the province of Ontario we have an oversupply of doctors, yet nobody

has seen fit to close a medical school anywhere. So we're shipping them or exporting them to the States or wherever. How do you rationalize this difficulty that we're experiencing in rural Ontario?

1720

**Ms Mottershead:** I think Mr Newman can answer that one.

**Mr Newman:** I'll take this one. I appreciate the question. I too was in your community last week.

The minister, since we were elected in 1995, has announced a number of initiatives to help rural and northern and small communities with recruiting and retaining doctors.

Included in that is a \$70-per-hour sessional fee for working nights, weekends and holidays for physicians providing emergency coverage in selected northern and rural southern communities.

There have been the community-sponsored contracts to ensure physicians' annual salaries and benefits to work in small, remote northern communities that need one or two physicians.

There has been the expansion of the community development office or project in northeastern Ontario, whose role it is to help match communities recruiting physicians with physicians looking to establish practice in underserved communities. There has been the establishment of a physician job registry to identify and help match communities looking for physicians and physicians interested in moving.

There has been the medical services corps, which is being implemented pursuant to the December 1996 interim agreement between the OMA and the Ministry of Health. The corps will have up to 20 physicians providing locum support in small rural communities in Ontario as well as covering temporary vacancy needs in underserved communities.

**Mr Beaubien:** Mr Newman, I'm impressed with this really, but how many underserved areas have been upgraded to overserved areas since all this hokey-pokey stuff has been introduced? That's my question.

**Mr Newman:** It's funny, because —

**Mr Beaubien:** I know we're trying to make it work, but I don't think it's working.

**Mr Newman:** Well, I think —

**Mr Beaubien:** When we talk about trying to attract physicians —

**Mr Grimmert:** On a point of order, Mr Chair: The questioner is badgering —

**The Vice-Chair:** I can handle it from the other side. I don't know how to handle it from this one.

**Mr Newman:** Now I'm really confused.

**Mr Beaubien:** So am I.

**Mr Doyle:** Now you know how I feel.

**Mr Newman:** I have the member for York South, Mr Kennedy, in the Sarnia newspaper saying that Harris is breaking the logjam, we do need change, and my own member saying that, but —

**Mr John C. Cleary (Cornwall):** Your own member is right, you know.

**Mr Beaubien:** It could be perception for Mr Kennedy, but it's reality for me.

**The Vice-Chair:** Would you allow Mr Newman to answer. Go ahead.

**Mr Newman:** I guess I am going to refer it to the deputy, but when these things get into place — obviously the problem has been identified. We are taking action on it, and I think it's appropriate action. Sometimes it takes time to actually see the results. It's not that we're not doing anything about it. We are taking decisive action, and I will let the deputy provide you with the specifics about that.

**Mr Beaubien:** With all due respect, let's come back to the nurse practitioner in the town of Forest, where the Rotary Club had to make an undertaking to pay her for six months of her salary — it is an underserved area — yet this individual could have worked in Toronto where no service club would have had to undertake to pay six months of her salary because it would have been guaranteed by the hospital. Where is the fairness in the system? This is not about politics; this is about health care. I'm sorry, but I want to know.

**The Vice-Chair:** Deputy, a quick answer if there is one.

**Ms Mottershead:** In terms of underserved areas becoming overserved, we have made great strides in actually making sure those communities are up to complement, and we would be happy to share that information with you.

One of the most significant measures, however, in terms of making sure we continue to try and get people to move out into the underserved areas is the 25% reduction that is going to be applied to all those folks who graduate in July, 500 of them, when they come into the system. That's a disincentive that works to become an incentive to relocate in communities that really are undersupplied.

**The Vice-Chair:** Thank you, Mr Beaubien. It's the official opposition's turn, but I don't know if you want it, or do you want Mr Beaubien to continue?

**Mr Kennedy:** I think we'd be willing to share some time with Mr Beaubien.

**The Vice-Chair:** Mr Kennedy, will you continue, please.

**Mr Kennedy:** We'd also like to thank Mr Wettlaufer for his assistance. Mr Wettlaufer brought up the point I was making earlier when he wasn't here, which was that the ministry is not spending the money they are claiming to reinvest. We've demonstrated that's true in a number of areas. I'm quite willing to table — and I'd like to have that reciprocated; I wonder if I could get a commitment from the ministry. I have here our estimates of the reinvestments for this year and for last. The gap between that is a total of \$300 million. So let's not talk about more money being put in; there's less money in the system, according to estimates. You can go through every single page. The reinvestment money is identified to the satisfaction of Mr Wettlaufer and a whole bunch of people who can read these.

In the final analysis, that \$301 million is a huge credibility gap for this whole government, because it explains things to each of the communities. It explains things to Kitchener. For example, in long-term care, where you spent \$735,000 less, a year after — March 28;



I have a copy of the media release here — the minister said it was a massive increase in spending. The deputy said the communities didn't want that money. But in point of fact, in the previous year, in 1995-96, this press release from the Premier's office indicates you removed \$33 million from the health budget for long-term-care expansion, and you're only putting it back this year.

Will you table a set of figures to show how much money was actually spent under reinvestment this year and last year? Will you do that? You will have my figures. Will you do that?

**Ms Mottershead:** I think that's an answer for the Minister of Health, and you can ask him about that.

**Mr Kennedy:** Parliamentary Assistant, would you be able to make that commitment?

**Mr Newman:** I will bring that to his attention.

**Mr Kennedy:** I will say clearly that the \$301-million gap is a credibility gap that you're welcome to address if you can, but that is \$301 million less money spent than the money that has been cut from hospitals, and we don't even touch the drug program, although we will in a minute or two. I'll leave you that as a bit of a challenge, and Mr Wettlaufer is welcome to compile his own figures if he can.

In the instance of tabling figures, Deputy, I wonder if you're aware of the salary that I asked for earlier for your seconded assistant deputy minister. Was that information provided to you?

**Ms Mottershead:** The information that was provided was from the previous — it's not current.

**Mr Kennedy:** Are you in a position to divulge Mr Sapsford's current salary?

**Ms Mottershead:** No, I'm not.

**Mr Kennedy:** Okay. We'll have that at the end of the year, then?

**Ms Mottershead:** That's what I'm suggesting will happen through the sunshine legislation.

**Mr Kennedy:** I want to talk to you a little bit about your own ministry administration again. Earlier this year in public accounts I asked you a point-blank question about the advertising program, whether there would be a ministry advertising program on television. You told me at the end of February that you didn't know what I was talking about, that there would be no such program. Less than two weeks later there were commercials with the Premier on TV in hospital corridors, Ministry of Health. I'm wondering if you could tell me, were you unaware at that time that those commercials were going to be aired? How much of that money was spent from your ministry's budget last year? What was the reason you gave me the answer you did in public accounts earlier this year?

**Ms Mottershead:** If you look at the Hansard for that particular session, you asked the question in an interesting way; let me put it that way. Your question was, "Are these three ministries working on these programs?" I can't recall it exactly, but it was the way you asked the question that led me to answer that I wasn't aware that there was this three-ministry thing. I was certainly aware that we were doing something in the Ministry of Health, but I wasn't aware of these other things. It was the way you asked the question, Mr Kennedy, that led me to

answer it that way. I think you'll go back to the record — I certainly have — and know that you asked it in that context.

**Mr Kennedy:** Could I have the answer, then, today? How much money was spent by your ministry on television ads last year?

**Ms Mottershead:** It was a few hundred thousand dollars. We have that information.

**Mr Kennedy:** Where would we find that in estimates, that allocation?

**Ms Mottershead:** It's "Ministry Administration." It's in our "Communications Activity."

**Mr Kennedy:** Could I possibly have a commitment to get the exact expenditure? Would that be in order, to have it provided to this committee?

**Ms Mottershead:** Yes, we have it. I think it was an order paper question too.

**Mr Kennedy:** I beg your pardon? Do we have that?

**Ms Mottershead:** It was an order paper question?

*Interjection.*

**Ms Mottershead:** Yes.

**Mr Kennedy:** I'd like to turn now to the cuts to the drug program. Over the last two years the ministry, through the copayment program, has cut \$225 million from drugs for seniors. That \$225-million cut was meant to be taken up by the seniors paying out of their own pockets. That was done as a cost-saving measure: \$100 million, we're told, could come back in next year. That still leaves \$125-million loss to the drug program. Again, when we talk about reinvestments, we don't know if that money's really going to be spent.

I wonder why, in cutting that much money from the drug program, other plans for saving money in the drug program weren't looked at first or — I shouldn't presume that — if they were, why they weren't implemented ahead of taxing seniors with that kind of user fee. The Ontario Pharmacists' Association gave a report at the finance and economic affairs committee that suggested nine cost-saving measures that would save your ministry between \$197 million and \$417 million annually. I'm wondering, what has your ministry done —

1730

**Mr Wettlaufer:** On a point of order, Mr Chair: I don't know where the Liberal health critic is getting his \$125 million that's coming out of drugs but, for the record, he is comparing interim actuals and actuals, and the interim actuals aren't known by the ministry when they prepare their estimates. So you can't mix apples and oranges.

**The Vice-Chair:** Mr Wettlaufer, with all due respect, if you allow him to follow through, he may be able to clarify that.

**Mr Wettlaufer:** He had that clarified last week.

**The Vice-Chair:** Thanks, Mr Wettlaufer. Continue, Mr Kennedy.

**Mr Kennedy:** The money that has been cut continues this year. We've got at least a \$165-million overall reduction happening over the last two years. We have a program reduction. Incidentally, it says here they're going to spend \$45 million more for the Trillium drug program, and in point of fact only \$18 million out of \$75 million was spent. This is over in the reinvestment brochure. That's what was publicized; what happened was different.

But I'd like to come back to my question. The Ontario Pharmacists' Association said you don't need to tax seniors, you don't need to put the user fees on them, that there are other ways to save money in the drug program. I'm wondering if those have been looked at, evaluated. Have they been rejected? Are they possibly in process? What has been done with those particular suggestions that came forward from Ontario's pharmacists?

**Ms Mottershead:** Certainly we did look at a number of options. I don't think it's news to anybody that Ontario was the last province to actually require a contribution to this plan. We weren't leading in terms of introducing cost-sharing; we're actually lagging behind.

A number of other alternatives had been looked at. I think there are some good suggestions from the Ontario Pharmacists' Association. We actually have established, with the Ontario Pharmacists' Association, a joint liaison committee, and all of the issues that you'd be aware of are being put at that table. We're actually going to be doing some joint initiatives to deal with the question of better medication, for example, more education, and other measures to better deal with the question of utilization and appropriate medication. So we are looking at those initiatives as well.

**Mr Kennedy:** Is there any kind of target date for when those will be evaluated, some kind of action plan that might be forthcoming? Is there anything you can give us on that today?

**Ms Mottershead:** No, because the committee is doing some work. The traditional process is we would bring the ideas to government. The government makes a decision and then announcements will be made. So I'm not at liberty to predict when all of this is going to happen or what it's going to look like.

**Mr Kennedy:** I'd like to focus a little bit on some of the problems. There has been a lot of talk about expanding the drug formulary. Are there specific measures in place to make sure that the new drugs that come in don't just end up being more expensive drugs than the ones that are already on the formulary and that are therapeutically equivalent? Do you have good safeguards to prevent that from happening?

**Ms Mottershead:** I think the member will know that we have a very rigorous process when an application is made by a pharmaceutical company to put a drug on the list in the formulary. There is a requirement to produce pharmaco-economic analysis that actually requires the companies to look at the product that's on the formulary now, look at its efficacy, and look at the cost of the current drug versus a replacement drug or a newer drug. That documentation is pretty rigorous, and we require companies to do that. There are companies that are not as rigorous in that process, and we don't accept their drug on the formulary until that is done and until the DQTC is satisfied that that process has been gone through.

**Mr Newman:** I just want to add that we've added 460 drugs since 1995.

**Mr Kennedy:** Yes, we're trying to get at that exact thing. Some of the drugs that have been added, according to pharmacists, must have slipped through some kind of process. Let me give you an example. Biaxin is an antibiotic that recently was added to the drug formulary.

Each pill costs \$1.50 and it's taken two at a time, twice a day. But already on the formulary was erythromycin. It's available generically, does all the same things as Biaxin, according to the pharmacists we're talking to; it costs five cents and it's taken four times a day.

None of us in our lay capacity is going to be able to address it, but how is it possible that pharmacists in the province — and I have more and more examples of this — believe you're adding more expensive drugs? What other additional safeguards could there be? Would you look into this list of drugs that pharmacists have provided that suggests more expensive drugs are being added that don't add therapeutic value?

**Ms Mottershead:** I mentioned the pharmoeconomic guidelines in terms of making sure the product is cost-effective. The other side of that is the quality side. The Drug Quality and Therapeutics Committee is responsible for making sure it's quality. In some cases, you have to do the tradeoffs and you have to go to a higher-cost drug because of its effect, because its formulation is much better than the very cheap drugs there now. I don't want to get into the specific product lines because I don't think that would appropriate for the committee to address here.

**Mr Kennedy:** What mechanisms do you have for the prescribing habits of physicians? What do you have in place to make sure they use the least-cost alternatives, where that quality isn't an issue? What do you make sure happens there?

**Ms Mottershead:** We have a number of guidelines that have been developed already. They get circulated to all the physicians' offices. They become part of the formulary binder. We've turned the formulary now into a binder so you can easily slip in guidelines and all of that. We'd be very happy to table here the guidelines that have been sent out to date.

**Mr Kennedy:** To the Deputy Minister or the parliamentary assistant, I understand it's not legal in Ontario to replace an expensively prescribed drug that's not on the formulary with one that is so that the patient doesn't pay. If it's not in the formulary you can't make that substitute. Is that correct?

**Ms Mottershead:** That's right.

**Mr Kennedy:** We hear that there's a request in the pharmaceutical industry to change that. Is there any consideration being given at all to change that substitution capability on the part of a pharmacist?

**Ms Mottershead:** There have been discussions, but that's all I can say at the moment.

**Mr Kennedy:** Okay. I'd like to come back to — we had some discussion before that there's only been one study done about the impact of the cuts to seniors and drugs; it looks only at the gross use of drugs. One of those findings was a 20% reduction in arthritis medication, in the anti-inflammatory section. Is there a follow-up happening? We asked a little bit before about what would be occurring with the agency that produced that report. Are you as a ministry concerned when you see those things happening? It's a first-year program, it's brand-new. Do you have other methods of picking up the impact on seniors than just looking at the top line of how many millions of pills were moved and so on? Will you also be following up the identified concern they had



about psychotherapeutic drugs, which went down dramatically?

You may recall that I cited before a study in New Hampshire which says it could cost the health system even more money, because that's what happened there; they ended up using other, more expensive parts of the health system. In addition to the concern for people, it could cost you money. Is there follow-up, specifically by your ministry, on some of those specific things that come out of the ICES report, and what form might that take?

**Ms Mottershead:** There was immediate follow-up to the ICES report. As part of that follow-up, one of the things we had discussed with ICES is the methodology they used to lead to the conclusions they did. We had some issues with them on that front.

We will continue to monitor. We are monitoring right now. ICES will have an even bigger role in doing that kind of follow-up, because it's very important. It's not just on the effects of cost-sharing or anything else; it's the effects of drugs, and the drug program as a result, on a restructured health care system, when you move from hospital into a community setting or into long-term care. We've asked them to actually do a comprehensive analysis of all of that, and they're doing it.

**Mr Kennedy:** Who is responsible for what the minister said was a mistake in double-billing seniors for their copayment last year? How did that mistake happen? The minister said he was happy to apologize for the fact that a mistake had been made; that seniors had been charged twice a \$100-deductible in the course of eight and a half months. The government has decided after some pressure from seniors and from Liberal members of the Legislature to change that to make it a four-month exemption next year. How did that happen? How could seniors have received that treatment from your ministry?

1740

**Ms Mottershead:** I believe it was an oversight. I don't think it was an intended mistake or error. What happened was that the program was intended to start earlier, but a number of reasons, including an OPSEU strike and not having the people there to do all the system changes and processing and so on, created that lag in terms of July, and the system wasn't changed to reflect a shorter time frame.

**Mr Kennedy:** The harm to seniors — seniors' organizations wrote to you and to the minister, probably more specifically, in April — was apparent. Many people were surprised to be paying their \$100-deductible — most of them who use medication had to pay it almost all at once or all at once. It is not unusual to see people paying \$1000 a year for drugs now under this system, but that \$100 coming at once as opposed to \$6 at a time is really the big hit.

It came at them a second time, yet nothing was done about it for 71 days. What kind of safeguards are there in the system? You have a new program like this. It affects some 900,000 seniors, many of whom by definition, if they're using the drug program, have fragile health. How could that happen in terms of how we manage the implementation of that program?

**Ms Mottershead:** We are issuing an RFP again to bring in some technical expertise to help us on the

computer side to make sure we do have the necessary flags on the system. That tender is going out in the next 10 days. That's one mechanism. I think we should be using our computer network to our planning advantage. Certainly if that flag had been raised through that mechanism we probably would have dealt with it sooner.

**Mr Kennedy:** I'd also like to ask you about the situation for nurse practitioners: Do we have a date when nurse practitioner legislation will be brought forward? Is there a concrete timetable for knowing when that will be passed so underserved communities like Mr Beaubien's can have more ready access to them?

**Ms Mottershead:** No. I don't have that information, sir.

**Mr Kennedy:** There is no such date?

**Ms Mottershead:** I said I don't have that information. I'm not aware. I don't do direct negotiations with House leaders. As you know, that's a political process.

**The Vice-Chair:** Thanks very much, Mr Kennedy. There are 15 minutes left in the day. Ms Boyd, would you like to use them?

**Mrs Boyd:** Yes. I'd like to talk about the drug program as well. I'd like to ask you a few questions, if I could, Deputy. You and I have a fairly lengthy experience around this issue of trying to cope with the drug issue. One of the things I've always been curious about: I wonder if you could explain to us why one of the mechanisms this government used to deal with some of the cost overruns was not a first call on insurance, where people have access to insurance, as opposed to the user fee?

**Ms Mottershead:** Certainly the Trillium drug plan works on that principle. I think part of the consideration was the fact that we are dealing with a seniors population. They're not employed, and some of them, if they were employed, never did have benefits packages that dealt with supplementary insurance. Therefore, you're dealing with a different set of issues there and a different population.

In the Trillium program, which is anyone to the age of 64, until they become ODB-eligible, you have a population that is employed, where the prospects of having an insurance plan is a lot greater than those who are age 65 and over. That's one of the considerations.

**Mrs Boyd:** But we all know that there are many seniors who do, as retirees, have insurance coverage from the companies they worked with. Or did the insurance companies simply not carry through with insuring retired people once the Ontario government was picking up the Ontario drug benefit for seniors?

**Ms Mottershead:** On the \$100 deductible, for example, there's nothing there, in terms of policy or otherwise, that precludes a senior from going to their insurance company and saying, "Contribute to this," and getting reimbursed for that. A good portion of them are doing that, those who do have those plans. That's certainly —

**Mrs Boyd:** It's the same for the \$6.11 and the same for any drug they're taking that's not on the formulary, so if they do have an insurance plan there is some protection for those who are otherwise insured against those additional costs. Do you have any estimate of how many people that would be in terms of the numbers who are covered?

**Ms Mottershead:** No, I don't have that information. It's not something we ask for in terms of their —

**Mrs Boyd:** There is just not the mechanism the way there is in Trillium.

I have a question about the special drugs program. In the estimates it is well overspent — not quite double, but well overspent — in terms of your interim actual for 1996-97, yet the amount remains the same for next year's estimates as it was in last year's estimates, the estimates for both years being \$45 million and the interim actuals being over \$82 million. Can you tell us first of all what that line is? What are those special drugs? If they are, as I suspect they are, some of the extraordinary, catastrophic drugs provided for people, particularly in hospital, I assume, do you expect there'll be an overrun in a similar fashion next year?

**Ms Mottershead:** We have the list of drugs. It's quite common and public in terms of what they are. The people who are on them, including AIDS and so on, are aware that this is a special program for them.

The reason the budgets have not been adjusted is because in this particular vote you can allow for the movement of funds between lines. If you look at the Trillium drug plan, we had estimated \$75 million; we only spent \$18.9 million, almost \$19 million. We've protected that \$75 million; we hope there will be more take-up, quite frankly, so the money will be there for that. In the special drugs, the budget line was \$45 million, the expenditures \$82 million, and we've kept it at \$45 million. The basic bottom line there is that the combined budgets of the special drugs program and the Trillium drug program is \$120 million. The interim actuals amount to \$90 million. So there's still flexibility and there's opportunity for growth in expenditures in both those categories. Just look at that as a combined program.

**Mrs Boyd:** For catastrophic drugs, in the special drugs program, I have had particularly AIDS sufferers but people in other categories in my office saying they have to be on the Trillium drug plan rather than the special drug plan, even though special drug plan has covered the same medication for another person. Is that the case?

**Ms Mottershead:** What we have done in the special drugs program is that we have frozen the drugs on that list, so as new drugs are available they are on the other plan. What we're doing, basically, is allowing more people who have specific conditions to enter the program for the drugs that were there and take advantage of that, versus trying to cope with adding more people and more drugs when we have the Trillium program.

**Mrs Boyd:** So the new drugs they're putting out for Parkinson's or MS or the new drug cocktail for HIV will gradually, especially for new people, be on the Trillium plan as opposed to the other plan. Is there any cost-sharing in the special drug plan?

**Ms Mottershead:** No, there isn't.

**Mrs Boyd:** So the costs will also shift to new patients who are on new drugs.

1750

**Ms Mottershead:** New patients on new drugs, but not new patients on these drugs that we have in the special program.

**Mrs Boyd:** I know that part of the reason the Trillium drug plan was undersubscribed, if you like — the minis-

ter talked a little bit about this — was the administrative difficulty the plan had this year. All of us who are members have had people in our offices talking about having to lay out huge costs for drugs for six or eight months before they began to get reimbursed from the Trillium drug plan.

I notice that you increased the salary line in this area fairly substantially over your estimates, but I also see that you've reduced the salary line for next year. Yet I suspect the numbers of people going on the Trillium plan are no lower, may in fact be higher because of unemployment and that kind of thing. Can you comment on whether you think you're going to find yourself having the same administrative incapacity to deal with the demand next year that you obviously had this year, that the minister has admitted you had this year?

**Ms Mottershead:** On the salaries and wages line, we had our budget. The interim actuals show an increase of over \$1.1 million, and that's because we hired a lot of people to try and deal with the question of backlog and get us back on track. We are almost there now. We believe that going back to original level will keep the program going.

We're pretty confident that most of the kinks have been worked out and that the backlog is complete. The turnaround time now is very good; we're at less than a month in terms of the whole process — unless there is a huge blip somewhere, and then we will deal with it in the same way we did this year, by moving very, very quickly to put the resources into play to make sure there never again is that kind of backlog or problem.

**Mrs Boyd:** For those who are now on the program, the shift from the one fiscal year to the next seems to have moved fairly smoothly. We certainly got reports of that from people who had problems last year who were delighted that they didn't go through the same thing this year. I think you may have resolved some of those problems.

**Ms Mottershead:** Those were some good suggestions that came from the community and people giving us some ideas on how to do it.

**Mrs Boyd:** Have you been able to deal with this issue of people whose incomes drop like a stone? The old application was based on the taxable income from the year before but they've suddenly become unemployed because of their illness, they have no income, yet their deductible is based on the income they were earning at the time rather than moving that to an annual basis that moves along. Are you getting control of that?

**Ms Mottershead:** I know staff are looking at that. We're trying to find a way of dealing with it. You know that the information we have is a year out in terms of their income.

Some of the ideas coming forward: What's another appropriate verification mechanism? You can't just have people walk in and say, "Boom, my income dropped and I'm here." There has to be some evidence of that. It could be a letter from an employer, for example, or the letter of termination of employment. We're trying to figure out what works best in terms of maintaining the integrity of the program but also dealing with the real needs that do crop up like that from time to time.



**Mrs Boyd:** The utilization of drugs was part of the issue, in terms of trying to get the Ontario drug plan into, first of all, a fashion that that could be tracked for people. A lot of the concern from seniors and from physicians was the overuse or the inappropriate use of drugs, the mixture of drugs and so on. Has that problem eased with some of the computer capacity that's there and some of the education that's been done about that?

**Ms Mottershead:** Tremendously, because we do now have the flags. We know when there is a contra medication indicated, and pharmacists are able to intervene right away. The thousands and thousands of interventions that have been created as a result of the system have had very positive life outcomes. I can't say directly, "We saved so many lives," but I can tell you that stopping someone from taking a medication that was not going to be complementary to other medication they already have from another physician has been tremendous. It's ranged from small interventions to pretty serious ones. We're really quite proud of it.

**Mrs Boyd:** Can you confirm that most of the things that were delisted from the drug formulary during the last government's time were delisted because of the concerns of overuse of things like laxatives and some of the drugs, on the advice of the committee?

**Ms Mottershead:** Some were. I don't have the lists that I can actually say they all were that way, but there were some, like laxatives, that definitely were.

**The Vice-Chair:** Thanks very much, Mrs Boyd. When we reconvene on Tuesday, you'll also have five more minutes to finish your 20-minute time slot.

**Mr Grimmatt:** Could we perhaps take a few minutes to discuss how we're going to deal with the remaining time, Mr Chair? Is it the wish of the committee that we deal with the some 50-odd minutes left for health?

**The Vice-Chair:** With Mrs Boyd's five minutes, we have 60 minutes. We have one hour left, approximately 20 minutes per caucus. We have a few minutes to discuss that. Any suggestions?

**Mr Grimmatt:** Can I suggest that we do the hour remaining on Tuesday? I understand that Mr Newman is going to be back with us on Tuesday. Is that correct?

**Mr Newman:** Yes, it is.

**Mr Grimmatt:** I suggest we deal with that on Tuesday and then adjourn and start the next review on Wednesday at 3:30.

**Mrs Boyd:** Can I suggest that we not meet on Tuesday if the minister is not available?

**The Vice-Chair:** We've got two differing points. Let's solve them simply through a little bit of discussion first, before a vote. Anyone?

**Mr Grimmatt:** I don't know about the availability of the minister, to be honest with you. Our preference would be to deal with the health matter on Tuesday and get it finished.

**The Vice-Chair:** Clearly, as the Chair, and an impartial one, it was my understanding — and I asked the question of the parliamentary assistant — that the parliamentary assistant was going to be here today. I thought the minister was going to be back on Tuesday.

**Mrs Boyd:** So did I.

**The Vice-Chair:** Deputy, could you —

**Ms Mottershead:** I don't have any knowledge of that. I'm sorry.

**The Vice-Chair:** Might we suggest a motion be placed that we not meet on Tuesday if the minister isn't available?

**Mrs Boyd:** I so move.

**The Vice-Chair:** Any further discussion? All in favour? Opposed? It's defeated.

A second suggestion, Mr Grimmatt.

**Mr Grimmatt:** The suggestion is that we finish the health ministry on Tuesday and commence with the next office for review on Wednesday at 3:30.

**Mr Kennedy:** We want to get in as many of the estimates as we can. I think we're prepared to stand down for the availability of ministers. Is the Premier planning to attend? Is he the next estimate up, or is there someone else?

**The Vice-Chair:** Yes, it's the Premier's office next.

**Mr Kennedy:** Is the Premier planning to attend on Tuesday?

**Mr Grimmatt:** I haven't been advised. I don't know.

**Mr Kennedy:** It's unfortunate we don't have that information.

**The Vice-Chair:** The legislative committee has written the Premier and advised him that it's going to be Tuesday. He hasn't responded. Having that knowledge —

**Mr Grimmatt:** The office can be here, but I haven't been told who is going to be here for the Premier's office. Our preference is to not have two offices and their staff tied up on the same day. We don't know what time the meeting is going to start, what time we're going to get to the next office. I believe, from what I'm advised, that in the past it has been fairly common to deal with one ministry, complete it, adjourn for the day and then commence, the following day, with the next office.

**Mr Kennedy:** We could maybe do a friendly amendment, but we have to go back to the Legislature to get — we could use the extra hour and a half on Tuesday for health. There has been a lot of useful progress with that. I know Mr Beaubien would appreciate the facility.

**Mr Grimmatt:** Failing agreement, I'm going to have to bring a motion —

**The Vice-Chair:** I know, but let's try to discuss before the motion, all right?

**Mrs Boyd:** I am little puzzled. If the information has already gone to the Premier's office that their estimates are up on Tuesday, surely they will have planned for that. I don't know how many hours.

**The Vice-Chair:** Two and a half hours.

**Mrs Boyd:** Two and a half? So they would then be finished on Wednesday and another group could come in. The purpose of this is that they have to be taken in order, as we know.

**Mr Grimmatt:** The following ministry, I believe, is the Ministry of Natural Resources, and the difficulty is in arranging a time they would attend. We don't want to tie up their staff. As you can see, occasionally we have more than one staff person who comes. From my experience, we had three or four from the Ministry of Economic Development last year. You tie up staff for a fair length of time, and you don't really have a good idea when they're going to be here. That's why we have a preference to either get the proceedings over — we can forgo

the remaining time in health, but obviously you want to deal with that. Our preference is to deal with the health on Tuesday and then —

**The Vice-Chair:** Is there a concurrence by the three parties that that happen? If not, I would suggest a motion.

**Mr Kennedy:** It's in our interest to see that we get to as many of the ministries as possible. We have uncertain sitting times beyond the August session. We would prefer to use all the time we have as constructively as we can. It would be our preference to do that. Are we allowed to stand down off an estimate like that, to say they don't need to come in? Do not the standing orders tell us we need handle these ministries consecutively in the time allotted?

**The Vice-Chair:** Certainly the ministry has to appear before the committee. I guess it's at our discretion whether we have them appear on the Tuesday or the Wednesday. If there can't be consensus, then it's obviously going to be by motion. The ministry has to appear, but it's the timing that now is an issue here. Before we go to a motion, is there concurrence?

**Mrs Boyd:** May I ask a question? I'm not quite sure why Mr Grimmert keeps saying the timing is uncertain. We know exactly that we have an hour. We know we start at 3:30; we know we have an hour.

**Mr Grimmert:** We don't always start at 3:30. We usually do, but it could be that we don't start at 3:30.

**Mrs Boyd:** Yes, but at this point it's —

**Mr Grimmert:** I've been on committees that have started at 4 or 4:30. It depends what happens in the House that day.

**Mrs Boyd:** I think people wait for meetings often. Ministry officials are used to waiting on the legislative procedures. They know that the legislative procedure is the major part of our business here, so they're quite accustomed to that.

**Mr Grimmert:** We're trying to make the effective use of their time. I don't think we're going to find consensus here, Mr Chair.

**The Vice-Chair:** No, I would suggest we don't. Do I have a motion?

**Mr Grimmert:** I'd like to move that once we finish the health estimates, the committee adjourn for the day and reconvene on the next regularly scheduled day and begin the next review.

**The Vice-Chair:** You've all heard the motion. Any debate? All in favour? All opposed? The motion is carried.

This meeting is adjourned.

*The committee adjourned at 1804.*



## CONTENTS

Wednesday 18 June 1997

<b>Ministry of Health</b> .....	E-893
Mr Dan Newman	
Ms Margaret Mottershead	

### STANDING COMMITTEE ON ESTIMATES

**Chair / Président:** Kennedy, Gerard (York South / -Sud L)

**Vice-Chair / Vice-Président:** Bartolucci, Rick (Sudbury L)

Mr Rick Bartolucci (Sudbury L)  
Mr Marcel Beaubien (Lambton PC)  
Mr Gilles Bisson (Cochrane South / -Sud ND)  
Mr Michael A. Brown (Algoma-Manitoulin L)  
Mr John C. Cleary (Cornwall L)  
Mr Ed Doyle (Wentworth East / -Est PC)  
Mr Bill Grimmatt (Muskoka-Georgian Bay  
/ Muskoka-Baie-Georgienne PC)  
Mr Morley Kells (Etobicoke-Lakeshore PC)  
Mr Gerard Kennedy (York South / -Sud L)  
Ms Frances Lankin (Beaches-Woodbine ND)  
Mr Trevor Pettit (Hamilton Mountain PC)  
Mr Frank Sheehan (Lincoln PC)  
Mr Bill Vankoughnet (Frontenac-Addington PC)  
Mr Wayne Wettlaufer (Kitchener PC)

**Substitutions present / Membres remplaçants présents:**

Mrs Marion Boyd (London Centre / -Centre ND)

**Clerk / Greffière:** Ms Rosemarie Singh

**Staff / Personnel:** Ms Alison Drummond, research officer, Legislative Research Service

A200  
XC 26  
-E77

E-38



E-38

ISSN 1181-6465

**Legislative Assembly  
of Ontario**

First Session, 36th Parliament

**Assemblée législative  
de l'Ontario**

Première session, 36<sup>e</sup> législature

**Official Report  
of Debates  
(Hansard)**

Tuesday 24 June 1997

**Journal  
des débats  
(Hansard)**

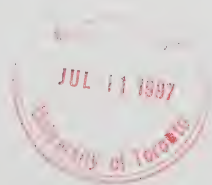
Mardi 24 juin 1997

**Standing committee on  
estimates**

**Comité permanent des  
budgets des dépenses**

Ministry of Health

Ministère de la Santé



Chair: Gerard Kennedy  
Clerk: Rosemarie Singh

Président : Gerard Kennedy  
Greffière : Rosemarie Singh



### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



## STANDING COMMITTEE ON ESTIMATES

Tuesday 24 June 1997

## COMITÉ PERMANENT DES BUDGETS DES DÉPENSES

Mardi 24 juin 1997

*The committee met at 1543 in committee room 2.*

### MINISTRY OF HEALTH

**The Vice-Chair (Mr Rick Bartolucci):** Welcome back to the final day of estimates. We will continue our rotation. The NDP have five minutes left in their 20-minute presentation. We'll move to the government side, then we'll move over to the official opposition, and end off with a 15-minute question period by the NDP. Then we'll go into the vote. Any questions?

All right. Mrs Boyd.

**Mrs Marion Boyd (London Centre):** I'd like to ask the deputy about the issue of people who do not have health cards and how they are able to access medical services. This has always been a big concern, but we're certainly finding, if we talk to those who are serving the large and growing population of street people, that a large number of them do not have access to identification. Many have had to leave their place of residence without being able to get it. Others have had it stolen from them, which is unfortunately a fairly frequent experience.

When they need medical care, which is only too likely if we think about the indicators of health — these are people who suffer poverty; they often have poor nutrition, little opportunity for appropriate hygiene and that sort of thing — can you tell us what the process is and what you think needs to be done to improve it? We understand that it's extraordinarily uneven throughout the province.

**Ms Margaret Mottershead:** I think the first decisions that were made around accepting people for care without health cards were made through the establishment of community health centres. They were set up primarily to deal with vulnerable populations, those who don't have the wherewithal to understand or have an ongoing relationship with a physician, and those community health centres are available throughout the province.

Secondly, no practitioner, doctor or hospital can refuse emergency health care, regardless of whether a person has a card or not. It's an obligation to serve and a duty to serve and provide that service.

In the Ministry of Health, to make sure that people are not turned away because they don't have a health card, because they're homeless, because they're vulnerable, we've taken steps not to penalize a provider who provides the service. In fact, we will pay claims that don't have a health number attached to them. There is an obligation on the part of individuals to continue to provide the service, recognizing that there's no penalty directly to them.

**Mrs Boyd:** Is that true of hospitals as well? Because we have heard many, many stories from a wide variety of hospitals, from those community health centres, I would

say, where in fact emergency services have been refused to people on the grounds that they didn't have any health card and they didn't have the money to spend.

**Ms Mottershead:** Certainly if you look at the large urban centres, there are many hospitals that serve the needs of vulnerable people and the homeless. I can rhyme off a whole lot of those hospitals here in Toronto: you have the Wellesley, you have St Mike's, you have St Joe's in the west end, and there are many others. They do pride themselves, and you'll find that it's right in their mission statement, on the fact that they will provide those services to the vulnerable populations. So they have made an explicit community commitment to do that for the populations.

I'm not aware of people being turned away because they have been destitute while they have an emergency situation that has presented itself. If people are aware of something like that going on, please let us know, because they have to provide the service. The hospitals and the doctors have to be available to serve.

**Mrs Boyd:** I think what distressed me was exactly those hospitals that I too believed had a mission to serve the homeless. Several of the stories involved St Mike's, Wellesley and even Doctors Hospital. I was quite concerned because that was a surprise to me and certainly not what we had been led to believe in terms of their vigorous campaign to keep their hospitals open.

The process then would be that the primary health care provider, in these cases places like Anishnawbe or any of the other health clinics, need to provide a very urgent complaint directly to the minister or directly to the deputy?

**Ms Mottershead:** That's correct, particularly when you mention community health centres, because that was one vehicle outside of the traditional institutional care that was established to deal with the primary care needs of the vulnerable populations. We had funded them on program funding based on the fact that they will be dealing with that particular kind of caseload and they weren't going to be physicians doing fee-for-service billings on the people who didn't have a card. That was the intent, and I would welcome any opportunity to try and rectify a problem if there is one.

**Mr Trevor Pettit (Hamilton Mountain):** I think it was last Thursday, maybe Friday, that there was an article in the Toronto Star about a visually impaired person's access to assistive devices services. In that article, the Ombudsman had indicated that this particular person had experienced some difficulty in travelling to an assessment centre. I'm wondering if you can tell us what the assistive devices program is doing to improve its services to visually impaired Ontarians.



**Mr Dan Newman:** The Ombudsman's report calling on the ministry to pay travel costs to and from vision assessment centres in the province stated that Ontario is one of only three provinces to offer universal access — in other words, there's no income or means test — to assistive devices such as wheelchairs, hearing and vision aids etc. Copayments have existed in the system since 1982, so it's not something new. It's been there since 1982. The only other provinces that offer universal access to assistive devices are Alberta and Quebec.

Ontario's universal program is one of the most comprehensive in Canada. The program is far more comprehensive than the programs offered by Alberta or Quebec, and Ontario covers over 15,000 devices. Ontario is the only province in the country that even covers vision and communications devices, let alone paying for travel to and from assessments. Maybe that's something we ought to keep in mind.

In addition, the Ministry of Health's northern health travel grant program actually does cover the cost of northerners to travel to ADP assessment centres if the program criteria are met.

However, rather than expanding our payment mechanisms to cover individuals' travel costs to and from assessment as requested by the Ombudsman, the ministry is expanding the number of vision assessment centres in the province to ensure that access to assessments is improved for everyone. To accomplish this goal of improving access to assessment, since June 1995 we have doubled the number of vision assessment centres in the province from four to eight by opening centres in Sudbury, which I'm sure the Chair would recognize are there, in Ottawa, in Hamilton, which would be in your part of the province, Mr Pettit, and in Toronto. We plan to create another four in the coming year, which would triple the number of centres that existed under either of the two previous governments.

1550

**Mr Wayne Wettlaufer (Kitchener):** Mr Newman, in the last few weeks of these hearings, the Liberals, particularly the Liberal health critic, the member for York South, have been criticizing us for everything under the sun in so far as health care spending, the restructuring of hospitals, the role of health services restructuring, the sustaining of our drug programs, development of the health care policy in so far as rural Ontario is concerned, mental health.

I have a particular concern from the standpoint that if I was a member of the public looking on these proceedings, I would be somewhat sympathetic to his concerns. Yet here we know that they talk out of both sides of their mouths regularly. I was just wondering if you have any examples of how they might flip-flop on issues in health care.

**Mr Newman:** I happen to have —

**Mrs Boyd:** Such a surprise he happens to have it.

**Mr Wettlaufer:** It doesn't surprise me at all.

**The Vice-Chair:** Take good notes, Mr Kennedy.

**Mr Newman:** I guess that's the sign of being prepared, Mrs Boyd. But I just happen to have some.

**Mr Wettlaufer:** I thought you might.

**Mr Newman:** I thought Mr Wettlaufer might ask that question of me.

In terms of the federal Liberal government, because they are the ones who are actually cutting health care spending in Ontario, former federal Liberal health minister David Dingwall endorses Ontario's approach to health care. He did that when he appeared on the CBC Radio news on January 30, 1997, and said, "The Ontario government, from what I have seen and from my conversations with them, are very committed to the principles of the Canada Health Act and are trying to provide top-quality care to their citizens." That's the former federal Liberal health minister saying that.

We have the member for York South, Mr Kennedy, calling for a special rural health care policy. In the Niagara Falls Review of March 26, 1997, Kennedy said the formula to make cuts to health care across the province "wasn't one designed for small hospitals, but for larger ones in larger centres. 'It (the formula) is experimental and should not be applied to small hospitals.'" That's what we have Mr Kennedy saying there.

I know one of the ones I talk about a fair bit in the House with respect to education is the Liberal red book of 1995. The Liberal red book calls for the creation of an arm's-length body to assist in restructuring of the health care system. I quote it on page 39:

"A Liberal government will create a Health Care Reform Commission made up of health care professionals, providers.... The commission will recommend reforms in law and in the administration of Ontario's health care system; point out gaps...in service, investigate inadequacies in the system, and comment on proposed new initiatives."

But it doesn't stop there, Mr Wettlaufer. Mr McGuinty, the Leader of the Opposition, calls for savings in the health care system. In the Hamilton leadership debate on September 21, 1996, he's quoted as saying, "I think clearly there is going to have to be some savings found, some efficiencies in our health care system." Again, we have the Leader of the Opposition saying that.

We also have the Leader of the Opposition endorsing hospital closures. In the Toronto Star, December 13, 1996, it says here, "McGuinty says he might close hospitals as part of a plan for better integrated health care services across the province." His precise quote is: "I would have, as an overriding objective, improvement of our health care system. A component of that might be the closure of a hospital."

We also have Mr Kennedy when he was running for the leadership in Ottawa on September 11, 1996, quoted as saying in the Ottawa leadership debate: "We want to look at a combination of patient responsibility and doctor responsibility. We want to make sure that we take some of the non-essential stuff out of the health care system." So he's saying that as well.

We have the former Liberal health critic — I guess at the time she would have been the health minister, now the federal member for the riding of Thornhill — in November 1988, Elinor Caplan: "We have in place right now a system of copayment for chronic care. I believe that there may be other appropriate copayment opportunities which are not a deterrent to appropriate services."

We have some things there that are mentioned by people who are in the federal level of government and in the provincial level with respect to health care on the part of the Liberals.

**The Vice-Chair:** Mr Wettlaufer, follow-up?

**Mr Wettlaufer:** I have a follow-up. The parliamentary assistant, Mr Newman, mentioned that the Liberal red book had specifically spoken about certain things. The Liberal red book also mentioned that \$17 billion a year was a target for health care spending. As you know, we're spending \$17.8 billion on program spending. We've never heard from the Liberals how they might have restricted spending to \$17 billion. All we hear is criticism. Do you have any comment on that?

**Mr Newman:** I've heard many times from the Liberal health critic, and I guess all members of the Liberal Party and opposition parties, talking about what we're spending in health care in this province. As you've rightly pointed out, Mr Wettlaufer, we are spending \$17.8 billion. That's \$400 million more than we had even promised in the Common Sense Revolution, which was released in 1994, when we guaranteed funding of at least \$17.4 billion. Yes, you're absolutely correct, the Liberal red book did say \$17 billion. So if we're to take them at their word and have them say that they were going to spend \$17 billion, that would be \$800 million less than we're spending today in Ontario.

**The Vice-Chair:** Mr Wettlaufer, anything else? Okay, we'll move over to —

**Mr Marcel Beaubien (Lambton):** How much time do we have left?

**The Vice-Chair:** We have exactly 10 minutes left.

**Mr Beaubien:** For this side?

**The Vice-Chair:** Yes. You don't have to use them if you don't want to. Mr Grimmer, any other questions?

**Mr Bill Grimmer (Muskoka-Georgian Bay):** Yes, I'll ask Mr Newman about the breast-screening program. Recently you were in my riding to make an announcement about the breast-screening facilities. They're expanding one of the hospitals in my riding. I wonder if you could comment on the theory behind the breast-screening program and the development that has occurred recently in the ministry.

**Mr Newman:** Yes, I had the good fortune to be in your riding in Bracebridge at the South Muskoka Hospital to make that announcement on behalf of the minister. With that announcement and several others across the province — I think there was one in Listowel a week after that — the breast-screening program is serving more women in our province. It's an ongoing program. I think the deputy can confirm that. That isn't just the screening, but it's a yearly —

**Ms Mottershead:** It's an annual program. It's ongoing.

**Mr Newman:** It's an ongoing program to monitor breast cancer in our province, which is a leading killer of women in our province.

1600

**Mr Beaubien:** Just a brief question. Lately we've heard that the government has spent an awful lot of money investing in MRI, magnetic resonance imaging, and there seems to be some competition for, I guess, the secondary level competing with these machines. It's not

only a major capital investment to provide the machines, but it costs an awful lot of money to operate them on an annual basis. How much money have you allocated in this year's budget for new projects?

**Ms Mottershead:** Just a second.

**Mr Beaubien:** I don't expect you to have it readily available.

**Ms Mottershead:** I don't have that because the ministry just provides a one-time support grant to the hospital. The ongoing operations for the MRI are the responsibility of the hospitals and it comes out of their global budgets.

The only variation on that was a recommendation by the Health Services Restructuring Commission in their Thunder Bay report to suggest that the government should invest \$1 million for MRIs, that given all of the consolidations of hospitals, that would be something the government should consider supporting on an annual basis.

**Mr Beaubien:** Would it be fair for me to say that the average cost of operating a unit is approximately \$150,000 a year?

**Ms Mottershead:** The \$150,000 is our contribution. Depending on the volume of the service, I think it would be a lot more than that. What's happening with the MRIs is that the hospitals which are participating actually share the costs of that service. If there are three hospitals in the community and one hospital's referrals are coming from the inpatients of those other hospitals, there's a chargeback to the originating hospital, the requesting hospital, for the cost of that service. So it is a shared cost and shared arrangement.

**Mr Beaubien:** So to the opposition — this is the point I want to make and make clear — hospital services are changing continuously and in a very costly manner, and I think there is a need for health services restructuring in Ontario. I strongly object when I get a member from the opposition coming into my riding and playing on the emotions of people.

**Mr Ed Doyle (Wentworth East):** They're experts at it.

**Mr Beaubien:** If we are concerned about the health care of the residents of Ontario, I don't think you come into somebody else's riding and play on the emotions. There are facts and figures that the services are changing today, and consequently we have to find some services.

You don't drive the same car as you did 10 years ago, so why should you expect to have the same level of health services that you're receiving today? I think the sooner we realize that the life and the health of the people in the province is first and foremost, above politics, the better off all the residents of Ontario are going to be.

**The Vice-Chair:** Any other questions?

**Mr Beaubien:** It's not a question; it's a statement, I guess.

**The Vice-Chair:** You can use your 20 minutes any way you want.

**Mr Wettlaufer:** Mr Newman, we've had it stated by the minister last week or the week before that approximately 460 new drugs, I believe, were added to the drug formulary this year.



Over the course of the past year or 18 months, I've had personal experience with making recommendations, as a result of phone calls with my constituents, that doctors who were recommending two or perhaps three pharmaceutical drugs for treatment of an illness, drugs which have been replaced by one drug and which would save the health care system money — I know I've written to the ministry a couple of times, and those drugs, these new pharmaceutical drugs, have been added to the formulary.

I wonder what process we're using to review new drugs which are put on the market. How are we reviewing them to ensure the drug formulary adds those new drugs?

**Mr Newman:** That's a very good question. I would like to refer that to the deputy.

**Ms Mottershead:** The first process starts with the federal government. A pharmaceutical company has to make an application while they have conducted trials for the product to be originally given a notice of compliance. In other words, you have to describe what the product is, what its intended outcome is and, having gone through a trial process, that it is effective to deal with the problem it's intended to deal with.

Once they get their notice of compliance, the manufacturers make submissions to all provinces, Ontario included. They normally start with Ontario, being the largest market in the country, and they actually make an application. Through that application process, there is a requirement to produce what we refer to as pharmacoeconomic guidelines.

What that particular submission entails is the production of evidence in terms of other drugs and what their intended result is, matched against the current drug in question to show that it is a better product or it's the same product but it's got properties that are more helpful; for example, there could be less acidity in the drug versus something else, but they have exactly the same properties. They have to go through that process, first of all, of documenting effectiveness as a drug and then also effectiveness and efficiency in terms of its cost, so that it would replace products, it would improve products, it would change the dosage or other properties. That's all documented in the submissions.

Once the submissions are received and analysed by the ministry, we have the Drug Quality and Therapeutics Committee, which is an arm's-length body that provides advice to government on whether or not certain drugs should be listed and what the benefit is both to health care and to the economy. It's that process of validation by the experts. We have scientists, we have doctors who actually know the properties of the drugs and the chemical compounds that comprise them, and they give us their advice. It's another validation. It's not just a Ministry of Health review, but there is an external review.

Once that's done, the government has been moving very quickly to update the formulary, to add the new drugs. Whereas it used to be sometimes an annual process of changes to the formulary, or maybe every six months, we're moving very, very quickly to make the changes within three months. That's why you see a lot of the products being added a lot more quickly.

**Mr Wettlaufer:** Is there a possibility that we would be adding another couple of hundred before the next six months?

**Ms Mottershead:** I couldn't give you an answer with certainty on that because our bringing the drugs on stream, on to the formulary, is as good as how quickly the products become available to market, the notice of compliance, and how quickly manufacturers move to try and place them on the formulary. But there are changes. There are more drugs that are going to be listed in the next couple of months, yes.

**The Vice-Chair:** We'll move over to the official opposition.

**Mr Gerard Kennedy (York South):** I would like to thank the members of the government, I believe, for providing scrutiny to the official opposition. This is our time for estimates and looking at the government, but I appreciate you think it important enough to include that. But what I was hoping when I heard there was a list of things that were going to be mentioned was that we might have some of the information that was asked for earlier.

For example, I want to know, Mr Newman, will you be tabling today the reinvestment tally from the ministry, an official tally of what the reinvestments really were last year? I provided my list of that. It showed a deficit of \$300 million. Will we have that other information today, if it exists? Because the information I'm using is from the estimates. Will we have that today?

**Ms Mottershead:** No, you won't. Not today.

**Mr Newman:** There's been so many of them, they're still compiling a list.

**Mr Kennedy:** Will we have that list eventually? Will this committee receive that list of reinvestments, the official tally from the government for the fiscal years 1996-97, 1997-98?

**Ms Mottershead:** Mr Kennedy, through an order paper question a few months ago, a response was already provided in terms of the government's reinvestments, so it's on the record already.

**Mr Kennedy:** Is there a problem to having a response here today? I've tabled information which suggests there's a \$300-million deficit, money that has been cut versus money that's been put back in. There's a \$9-million advertising plan that's been out there saying things to the contrary. This is an opportunity, Mr Newman, for you and the ministry to establish the bona fides of what the minister has been saying. Unfortunately, it doesn't seem to be forthcoming. Is that correct?

**Mr Newman:** I think it was answered in the order paper question.

1610

**Ms Mottershead:** That's correct.

**Mr Kennedy:** We've asked for that. Could it be provided to this committee?

**Ms Mottershead:** Mr Kennedy, I don't know whether you have tabled your numbers here —

**Mr Kennedy:** Yes, I have.

**Ms Mottershead:** I haven't personally seen them. I don't know what has been tabled or where the numbers came from. All I can tell you is that what you have in the

printed estimates, it's the government's intention to spend that money in the votes in the areas that it has so indicated.

**Mr Kennedy:** Sorry to interrupt, Ms Mottershead, but it does indicate a gap, and that is the crucial question. I was hoping that we might have some government response to it, but I don't know if Mr Newman is prepared to provide that.

**Ms Mottershead:** The government has a period of time in which to respond to the questions that have been raised, and I'm sure the government will consider responding within that time frame.

**Mr Kennedy:** Would we also be able to receive within that time frame, or I was hoping perhaps even today, the parts of the agreement with Mr Sapsford which will show us how he, as an employee of Toronto General Hospital, is not in a conflict when it comes to dealing with all the other hospitals in the province? You had indicated there would be extracts of confidentiality agreements. Given some of the interest I've had from people outside of this room, I think that would be important to have as soon as possible.

**Ms Mottershead:** Yes, staff have been working on it. All your requests have been noted. We did follow up with the Hansard. I should point out that Hansard didn't arrive in my office, after making several phone calls, until this afternoon in terms of verifying all of the commitments that were made to provide information. So I would say that for all of the commitments that were made to you, there will be an undertaking to provide that information.

**Mr Kennedy:** Okay, just one clarification. I understand that applies to any previous requests. You suggested, I know, some qualifications and some proprietary parts, but were there elements of the \$200,000 report done by Mr Vaz about the future shape of the ministry? Is it going to be possible for you to provide some parts of that? I think you were going to review that. Were you able to do so based on the proprietary information?

**Ms Mottershead:** We'll provide some of the information in that report. The awkward part about this is that some of the recommendations in terms of the future state of the ministry deal with the broader government issue of restructuring government. The government hasn't considered the whole report or the whole context and I wouldn't be at liberty to disclose that.

**Mr Kennedy:** Some of the other parts we could have?

**Ms Mottershead:** Yes.

**Mr Kennedy:** Great. Terrific.

Mr Newman, I'm wondering if you're able to tell us whether the government approves of what the Humber Memorial Hospital is doing to Northwestern General Hospital. Just to refresh your memory, that is where there's a restructuring report, a draft recommendation to close the Northwestern hospital site by June 1999, but the Humber hospital is substantially closing that site — they're going to remove emergency and surgery and so on — by September of this year.

Just to refresh your memory again, the minister said he didn't believe any of the restructured hospitals should be closing for about two years because human resource plans had to be put in place, capital improvements had to be

made and so on. But in the case of this hospital, it's happening now. In fact, on July 15 obstetrics is going to be sent to one hospital, gynaecology left at another.

Is there a view on the part of the minister as to whether this is acceptable behaviour on the part of the hospital, and will you, because this has been raised now a few times in the House, be following this up in any way? What kind of assurance can you give to the people who are served currently by Northwestern hospital about how the minister will be dealing with this?

**Mr Newman:** I'll refer that to the deputy.

**Ms Mottershead:** I'm sure the member knows the nature of that merger. Three hospitals came together on a voluntary basis. Nobody forced them. It was well before the commission came to Metro Toronto. They formed an alliance. They applied for letters patent. They actually incorporated as a new corporation that would run three sites. The fact that the board — one single governance — has decided that it will move out of one of those sites and put the services in the other two existing sites is a decision that's been made by the corporation, by the board of directors, which is accountable to the community. Given that it originated as a voluntary endeavour, I think it's quite logical to conclude that the proposal will proceed.

**Mr Kennedy:** That's very disappointing to the people in the community. Ms Mottershead, as you may be aware, the board of this hospital has no community members on it. Further, this board has no residents of the city of York, even though it principally serves the city of York, on its board. There are no votes from the community controlling it. Tonight will be the annual meeting at which they will confirm a bylaw which says only the board members have any vote on any of the proceedings of this hospital. It is completely unaccountable to the community. The community wants to know, will the ministry step in?

We have a report from your Health Services Restructuring Commission which says it will take two years to empty that hospital; it will take \$50 million worth of renovations to transfer the services. Are you saying, and we'd like to hear it clearly today, the ministry approves of this rush job to empty Northwestern hospital? This is going to see an emergency department down the road have to handle double the capacity. It is going to see obstetrics and gynaecology separated. The physicians at Northwestern say it's going to put patients at risk. Are you saying you approve of this, from the ministry's standpoint?

**Ms Mottershead:** I don't recall having a distinct proposal in terms of the time frame and moving forward with that kind of speed, as you've indicated. But again I just want be very clear that if that decision was made on a voluntary basis and people want to go ahead with that scenario, it's only right that they go ahead and do what they feel is right for the community, hopefully in a way that doesn't jeopardize any services or programs. That's what we would be interested in looking at. We'd be interested in looking at the plan and want to be assured that there would be no disruption or loss of services.

**Mr Kennedy:** Ms Mottershead, some of those services were supposed to be moved this week. They've been



postponed. The doctors there refer to the whole process as a shambles. Could you clarify for us: Where in this process will the ministry be involved? Will it give approvals? Has it given any approvals to date around this transfer of services to these other hospitals which have had no renovation, no change to be able to receive these services? Will there be any intervention by your ministry at all?

**Ms Mottershead:** I'd have to get back to you on that, Mr Kennedy. I'm not aware of any kind of formal approval process from the ministry to this point. Staff may have information back there.

**Mr Kennedy:** It's very disappointing information if there is not.

**Ms Mottershead:** I don't have the latest information.

**Mr Kennedy:** The minister said in the House in answer to this that the ministry would be monitoring this, that they'd prefer that this happen under the restructuring.

**Ms Mottershead:** We definitely are doing that.

**Mr Kennedy:** We were very disappointed to learn a week later that there's nothing at all that the ministry has done and only vague things about what it might do to protect the patients who are involved in this. This is the first hospital to be closed in Metro. It's being closed in a hurry, in a rush, and we'd like to know why. That board won't respond. They will not take deputations at their meetings, and now unfortunately it doesn't seem like you will either.

**Ms Mottershead:** Mr Kennedy, I don't think we have any indication that there are services being put at risk or patients being put at risk at this point. I don't know where your evidence is that that will be the case. I think the hospital — you have to give them some credit as an organization that runs these services — would be in a fairly good position to know exactly what their plans will do for the patients they're obliged to serve. My view is that we should be giving the hospital the benefit of the doubt that they know what they're doing. We will be monitoring, there's no doubt about that, but we're not in a position at this point in time to say, "Hold the phone."

**Mr Kennedy:** As I said, it's disappointing because I've met with the obstetricians in that hospital. They say patients will be at risk. They say that this is a shambles in terms of what's happening. You're going to have gynaecologists doing operations on one site and babies being delivered on another site. It's a reduction in the quality of care. It's a big rush.

Deputy Minister, I'd like to ask you one thing. The minister has referred on a number of occasions to the budgets of hospitals not being fixed, not being set, that operating plans are reviewed. Are you offering any transition money — I understand there are also issues at Women's and Wellesley because they went ahead with an alliance, condoned, they believed, by the ministry and the restructuring commission. There will be financial issues there. There are financial issues apparently driving this rush job taking place at Northwestern. Do you provide funds — and if so, under what criteria — to hospitals that are undergoing the transition to being restructured hospitals and perhaps closing further down the line? Are those funds available from the ministry and how are they accessed?

1620

**Ms Mottershead:** There are funds available to all hospitals that are undergoing restructuring. We indicated here over the last number of weeks that the government is making available over \$2 billion over the next couple of years for hospital restructuring. That's to cover a whole array of costs that they might incur, ranging from severances to training and adjustment to legal fees to communications to consultants. They need expertise, medical consultants and others, in terms of the clinical programs that are being transferred maybe from one site to another. There's a whole array of costs that are eligible for this restructuring fund, and that \$2 billion is being made available and will be there when hospitals call for it.

There is from time to time a need to have a look at specific circumstances, and we have. You might be aware that I've offered to provide for a program review in Windsor. In meeting with all the hospitals in that community, they said: "We feel that our budget is not adequate. We feel going into a restructured environment that you need to have a look at the costs." I did offer to have a program review commence almost immediately. The hospitals, all three of them, just recently have indicated they would like to wait to see what the commission has to say.

I'm just saying that in circumstances we indeed do an operational review, we do a program review, we do a funding review where there is a case that is made for us to have a look at specifics.

**Mr Kennedy:** What is your position on hospitals running deficits? Do you have a list of how many hospitals are being forced to run deficits on their operating budget this year? Do you have that for the province?

**Ms Mottershead:** The staff review the operating plans of the hospitals. The hospitals are aware that we have a policy which basically says, "You have to make sure that your revenues and expenses are lined up, that there is a balanced budget." That's the policy.

Part of making sure this policy is adhered to is a function of reviewing the operating plan to see whether hospitals have looked at every possibility to match up their operating line with their revenue line and to make sure the services that are being considered for change do not in any way have an adverse effect on patient care, that there is a good review in terms of administration and overhead and those kinds of infrastructure costs to make sure those are the areas where some tightening can happen and not in areas of patient care.

So the operating plans are being reviewed. Staff have been looking at them —

**Mr Kennedy:** How many hospitals submitted deficit budgets this year? Can you give us an estimate?

**Ms Mottershead:** I can't give you a number, no.

**Mr Kennedy:** The last question I'd like to focus on: The member for Lambton talked about MRIs. I wonder if you could confirm that the way the MRI funding works is that there's a grant from the ministry of \$150,000, but the operating of \$300,000 or \$400,000 is picked up by the hospital adjusting its budget. Is that not correct? Also, the approximately \$1 million, give or take, capital fund

is also provided by the hospitals from other funds. Is that not accurate?

**Ms Mottershead:** The one-time startup grant is provided by the ministry. That's \$150,000; you're correct. The ongoing operating of the MRI is handled by the hospital global budget. There is however a business case that must be produced by the hospital before an MRI is awarded.

**Mr Kennedy:** But in essence the business case means they have to justify taking funds from some other part of their operation. To get an MRI, they have to show that they can support getting those funds somewhere else, but that's what happens: They have to take it from the rest of their budget. They also have to come up with \$1 million to provide it. For \$150,000, they have to enter into all those other costs in order to support an MRI at their facility. Isn't that correct?

**Ms Mottershead:** No, that's not correct.

**Mr Kennedy:** Could you enlighten us as to how it's done?

**Ms Mottershead:** I will try to. The whole point of having MRI technology is not just to make sure that people have the latest technology possible to help in the health care system, but it is also to make sure, in reviewing the business case, that we don't have added technologies, added procedures and added systems.

The new technology is there to replace something else. It's not an additive equation here. It is to replace other functions performed by outdated technology, X-ray or whatever the case is. Therefore there is a direct displacement. In some cases, the use and the acquisition of an MRI is much more efficient than the dispersed operation of a number of X-ray-type equipment all over the hospital. What this does is bring together the unit. I don't know that people fully understand that you need a whole infrastructure: You need neurologists, you need specialists, you need a whole —

**Mr Kennedy:** You need a building.

**Ms Mottershead:** To be able to read them and all of it, you need that infrastructure. Not all hospitals will be eligible for an MRI. The business case has to do two things. It has to document that you've got the infrastructure, you've got the specialists, you've got everything already there. It has to document that it's a cost-effective technology because it does replace some existing and outdated pieces of equipment with quite often very high maintenance costs, because they break down; they're 10 years old, or whatever the case is. That's part and parcel of that.

**Mr Kennedy:** I don't know if it would surprise you to know that most of the places that are getting MRIs that I've spoken with say they have to sacrifice some other essential service to make room for it, that the \$1 million they have to find to pay for it is very, very onerous in terms of what they have to do. They would wish, they would look forward to — there was really faith in the ministry that it would assume the responsibility for making sure this didn't happen at the cost of other services. That's not part of how they see that today.

**Mr Newman:** Can I ask which hospitals?

**Mr Kennedy:** I could provide you with —

**Mr Newman:** Because when I was in Timmins to open the MRI there, they were more than happy. They have raised the money in the community. They don't have to travel to Toronto. It doesn't affect their family life —

**Mr Kennedy:** Everybody is happy to have an MRI, Mr Newman. The fact is, you're cutting money from their budgets. You cut Timmins hospital by at least 6% over the last two years. You've cut all the hospitals in the province, including every single riding except, I believe, one in York-Mackenzie that hasn't actually been cut last year. Everybody else has lost money, so it factors into their whole ability to sustain things.

You're providing \$150,000. The \$300,000 to \$400,000 worth of operating has to be found by the hospital, and \$1 million to provide the MRI. The capital cost of the MRI has to come from the hospital as well. It's the hospital that's making the MRI happen. Only a small amount of that has to do with what the province is doing. I think it's important that the people of Ontario know that. It's hospitals struggling with your budget cuts that are finding the extra money.

**Mr Newman:** Are you saying that hospitals shouldn't have MRIs?

**Mr Kennedy:** They should have the MRI, but they should have it without the cuts to their operating base that are making it more difficult.

**Mr Newman:** We'll have more MRIs in Ontario than in the rest of the provinces combined.

**Mr Kennedy:** You've also got people lined up in your hospital emergency waiting rooms. You've got people there for three or four days. We had a case the other day of somebody still waiting to get transferred on their sixth day of waiting in an emergency room of a hospital because the beds aren't there because the funding for the beds isn't there. We can have all the fancy equipment we want — and we want to have that available — but it's a phoney game if we're not able to provide the fundamental services. That's the point these hospital administrators are making. It's too bad that we don't have a program on your part that would recognize that and not take the MRIs so much out of their base budget, because you've already cut their base budget.

**Mr Newman:** Pass on those hospital names; I'd be pleased to see them.

**Mr Kennedy:** In terms of the other aspects of the MRI and the other ones you've done, the other part that is very concerning to the hospitals has to do with their basic emergency services to do with ambulance. Ambulance, to the people who run it, is already an integrated health service. It already is in contact with all different parts. You're proposing to download that; you're proposing to give that to the municipalities. You've yet to table the policy by which you're going to do that. I know there was some discussion with people around the province, but there's very big concern.

How are you going to be able to run an integrated ambulance service when the municipalities are going to be the operators of it? How is that going to be at all possible?

**Ms Mottershead:** I just want to make a comment. Yesterday and today, ambulances leave a destination and



end up at hospitals. They go from somebody's home or an office or on the street, wherever the accidents happen, and end up at a hospital. Tomorrow, with the changes that will be made — and by tomorrow I mean January 1998 — those ambulances will have exactly the same destination. Nothing has changed. In terms of an integrated system and a service that will be available, the service will be available. What you have is a different funding relationship between municipalities and the operators, but in effect nothing changes.

**The Vice-Chair:** We'll move on to the third party: 15 minutes.

**Mrs Boyd:** Why don't I follow up on that question, because I think it's an important one. It's true that the ambulance will pick someone up at whatever the location is and take them to a hospital. The issue is that when you balkanize the funding by municipality, this is an ambulance that may travel to another municipality through several municipalities. On what basis is the cost of the ambulance going to be assessed: Where the person lives, where the person receives hospital treatment, where the accident happened? That's the kind of question that not just opposition members but ambulance drivers and emergency physicians are asking.

They want to be sure that a small municipality which happens to have a corner where there are a lot of car accidents isn't going to suddenly have to pay for the ambulance transportation from those accidents, because probably the reason for the accident in the first place is that they didn't have the money to repair the road. This is a serious problem that people have. Nobody can figure out how you think this is really going to work when people go across a municipality and so on. Can you enlighten us at all?

1630

**Ms Mottershead:** There is no doubt that it is a complicated issue. We will over the next several weeks and months be consulting with the ambulance operators, the municipal leadership, and working through some of those issues on the community health and social services implementation team. There are a number of ways of dealing with that. I know we have been looking at a number of ways to try and get to the question of who funds, what municipality funds what services, but I think it's only fair to have that discussion with the municipal leadership and with the ambulance operators before I venture out with some possible suggestions.

**Mrs Boyd:** In relation to ambulances, your own ministry said on March 26 in the *Globe and Mail* that the purchasing power the province currently has in terms of ambulance vehicles and equipment is going to disappear with this plan. Would you agree that's a problem?

**Ms Mottershead:** In our discussions with municipalities, we could in fact find a mechanism of retaining the purchasing power without retaining the funding power. I think if people want to be creative and want to find efficient ways to deliver those services, there will be an opportunity. We're certainly not closed to any possibility to allow efficiency to continue to occur in the system, and flexibility, to make some creative things happen.

**Mrs Boyd:** So essentially what this decision means is that the Swimmer report is dead. Is that true?

**Ms Mottershead:** The ambulance operators in the first instance are the employers for ambulance services. We also have about 60 hospitals that will continue to be the employers of the ambulance services within their jurisdiction, and we have 10 ministry-run operations that we're looking at having discussions on with municipalities in terms of what to do with those.

For some of the committee members who are not familiar with the Swimmer report, the Swimmer report recommended that there should be one provincial agency run by the government, with government employees running all of the ambulance services. This particular initiative with municipalities and private operators certainly doesn't contemplate the adoption or acceptance of that particular recommendation for a province-wide agency.

**Mrs Boyd:** I'd like to move to the HSTAP program and the abruptness with which it was cancelled. I understand there has now been a commitment that those people who were caught betwixt and between are going to be looked after in some way.

I have a case of a constituent of mine who agreed to a separation which was to occur in April — I believe April 11 was the separation date — and on May 6 finalized with her worker at HSTAP by telephone her plan, which she had been working on since then. Of course, nothing was signed. Would she still be among the 420 or so who you indicated you expected would fall into that category even though the finalization was verbal rather than written?

**Ms Mottershead:** It would certainly sound that way from how you have described the situation. What we have told the HSTAP board in writing is that not only approved plans but plans that were in transit for approval and not yet approved would be funded. They are to get back to us on how quickly they can process and work on it.

**Mrs Boyd:** That's good, because this particular constituent, whose name is Nora Lewis, had attempted to get that kind of confirmation from the minister's office and wasn't able to get it. I have a package of material with all her material attached which I'd like to give to you today so that you can look into it. This is a 23-year employee who has a great deal of talent and would not have accepted the settlement she accepted, which was very low in terms of severance, had she not been assured of HSTAP.

The other issue I'd like to talk about is the whole issue of women-specific health services. We talked a little bit about that with respect to Women's College. There continues to be real concern about the availability of women-specific services, given the reality of the experience women have had in terms of their health not being given the same priority, not taking into account different symptoms and different causative effects.

I'd like to talk to you about the substance abuse programs. I have had approaches now from three different women's substance abuse programs — the Amethyst program in Ottawa, Hope Place in Burlington and the House of Sophrosyne in Windsor — all of which report that this whole process of looking at substance abuse appears to be focusing on a generic service, a family counselling approach as opposed to a women-specific

approach, even though there's been a lot of research and a lot of outcome research to show that women do better in women-specific programs simply because of the nature of the experience they've had in life and the base of their substance abuse.

Could you comment on whether the ministry is fostering this notion of generic services or whether there is a commitment from the ministry's point of view on women-specific services where they have proven effective?

**Ms Mottershead:** As part of the review process, what we did with the consultants was to document their recommendations and send them back out to the field. We wanted them to have a reaction to what was being recommended before the government would consider adopting those recommendations in a more province-wide approach.

I have heard from those services as well, and I think they make a good case, so we'll have to look at exactly what the final product is and what the reaction is from the field. I know they're very, very strong in terms of their conviction that these programs work better in that kind of setting. Once we receive their feedback in writing, we will take that into account, bearing in mind that we are working on a women's health strategy that looks at every component of health care as well as research in the province. We wouldn't want to give a wrong signal that while we're working on a broad strategy, we're not dealing with the sensitive issues around substance abuse.

The end of July is when we expect to receive the final submissions, the feedback from the communities concerned. Then we'll take a couple of months in the fall to finalize a provincial strategy, but it will be very sensitive to specific needs and tailored services where they have been proven to be effective. We're not here to change just for the sake of change. It has to be for the better.

**Mrs Boyd:** One of the real issues here is that 80% of the programming that is available is run for men and generally on that paradigm. That was really the base of a lot of addiction services. Women came very late to addiction services and they clearly have fewer numbers of identified addicted people, although there is some question about whether the identification is clear or not. So I guess it's a valid concern that this would become swamped by the kind of care practices that may very well be effective for men but may not suit women when they have children to look after, when they may have suffered sexual abuse, and large numbers of them apparently have in the samples that those three organizations have collected over many years. That's why they're concerned.

**Ms Mottershead:** Yes. Thank you.

**Mrs Boyd:** Earlier the minister and certainly the parliamentary assistant talked about the cuts in health care not affecting patient care. I have a communication here from a Gwen Sutherland, who is talking about a situation in which surgery for an aneurysm, a fairly serious condition, was delayed from December 22 until January 17 because of lack of staff at a local Toronto hospital. It goes through detail about this person actually being prepped for surgery, being IV-ed, going to the operating room, and the surgery being cancelled because

there wasn't a bed or the staff to look after them when they came out. I will table this for your information.

From everything we hear, this is not a specific instance in a specific hospital, although it's presented in that way. This is the kind of concern we're seeing. Have you had any sense from the hospital community, from the surgeons in the community in particular, of how common this procedure is of having someone actually admitted and prepped multiple times for surgery that then doesn't take place?

**Ms Mottershead:** It's certainly not something I would consider common at all. It's hard to imagine that a person could get to that stage of preparedness for an operation and then someone realizes that the nurse isn't there, the bed isn't there, having been admitted and going through the whole process, unless the surgeon, for whatever reason, got called for a more critical emergency operation.

1640

**Mrs Boyd:** That happened in one of these instances.

**Ms Mottershead:** Then I can see that happening, but not because there wasn't a bed available or because staff wasn't there. You would know that staff wasn't there before you started putting this person through that process. We'll certainly look into it. It's the first time I've heard of someone going through that process. We'll see about it.

I have to make a comment, because I have been in the system and in government for so long that I have quite a long history and quite a good recollection. Some of these issues that are being brought forward have been in our health care system for decades. There's nothing new here. The odd mishap does happen. It has always happened. It's unfortunate when it does. No one wants those kinds of things to happen, but occasionally they do.

If you go back to Hansards from 10 years ago, 20 years ago, five years ago, six years ago, three years ago, last year, you will see that there are these occasional things that happen that people hope would never happen but do. That's just a fact of life, because we have a complicated system. We have lots of specialists; we have lots of doctors; we have ambulances. It's very complex, and those things are bound to go amiss from time to time.

**Mrs Boyd:** I agree, but when there are so many changes happening at the same time, the concern is this maintenance of quality control and, I would say, better information to patients about what is happening and why it is happening.

I had another constituent, a man named Alec Jackson, in my office on Friday. He has a hole in his heart. He has congestive heart failure. He is a very ill person and he needs to go to hospital frequently to have an intravenous diuretic in order to ease some of the pressure. Normally in the past, these people would have been admitted for that process. Now people are trying to do it in the emergency department and keep them from being admitted, but it is quite traumatic for an elderly person who has no one to care for him at home to go through that. As we go through these changes, one of the biggest changes that has to happen is that connection between home and hospital and information to the patient to make this work smoothly.



While I can certainly understand why that might very well be the appropriate decision on the part of the hospital, because it hadn't been communicated to him and he hadn't been connected into community services in a way that would give him support and ease some of the fear, which is quite dangerous for him, he was very angry and was pointing that anger specifically at the government and seeing it as a cutback issue when it may partly have been cutbacks but it may partly have just been some of that change in medical care. It really concerns me that that's happening.

**The Vice-Chair:** Thank you, deputy.

The 12½ hours of dialogue, discussion and deliberation has come and gone, and now it's time for a vote. There are six votes. Let's try to deal with them all together.

Shall vote 1401 through to 1406, inclusive, carry? Carried.

Shall the estimates of the Ministry of Health carry? Carried.

Shall I report the estimates of the Ministry of Health to the House? That's carried as well.

We have a few housekeeping matters we have to deal with before we adjourn. First of all, I'd like to thank all those people who tabled documents, reports. Deputy, you will ensure that all commitments will be tabled and given to the different members of the committee?

**Ms Mottershead:** Yes.

**The Vice-Chair:** Thank you very much.

We are going to meet tomorrow. Somebody from the Office of the Premier will be here. The Premier has informed staff that he will not be in attendance; however, the committee Chair is still trying to determine who will be available from the Premier's office. But we will be meeting tomorrow.

**Mr Grimmett:** Mr Chair, do you have a copy of the letter of June 20 addressed to Mr Kennedy? I was copied on that letter from the Premier. I've written on my copy, unfortunately. I'll read it to the committee if you like.

**The Vice-Chair:** Please.

**Mr Grimmett:** He's written to Mr Kennedy as the Chair of the committee.

"Dear Mr Kennedy,

"Thank you for your letter of June 19 informing me of the rescheduled time for review of the estimates of the Office of the Premier.

"As you know, the review was originally scheduled for June 18. Unfortunately, as my staff indicated yesterday to the clerk, I'm unable to attend the newly scheduled time. Mr Tony Clement, my parliamentary assistant, would be pleased to attend in my place. Mr Clement will be prepared to make opening remarks and to answer any questions the committee members may have.

"I hope this is satisfactory to the committee. If, however, the committee would prefer to defer consideration of the Premier's office estimates to a later date when I would be able to attend, please feel free to let me know. Thank you.

"Sincerely,

"Michael D. Harris, MPP."

**The Vice-Chair:** Let's spend a little time on it. The committee does not have a copy of this. I certainly don't; Mr Kennedy indicates he doesn't.

**Mr Grimmett:** I just got this from my staff today, but I understand it was faxed on the 20th. It could well be that it got sent to the wrong office.

**The Vice-Chair:** Committee clerk, have you received it?

**Clerk of the Committee (Ms Rosemarie Singh):** No.

**The Vice-Chair:** Nor has staff, so can we look into it? Are we in favour of having Mr Clement come tomorrow? All in favour? All right. Let's go ahead with it.

One other matter: We will be meeting tomorrow with Mr Clement available, but we should determine today, because there may be some confusion — one never knows — when we're coming back. In order to allow the ministers to prepare properly, can we get consensus that we will be meeting the first week back in August? Is that a fair commitment to make?

**Mr Grimmett:** That's agreeable.

**The Vice-Chair:** The week the House resumes in August.

**Mr Kennedy:** In case that changes.

**The Vice-Chair:** Yes, in case the date changes.

All in favour of that? Okay, that's great.

Two things left. One, I'd like to thank legislative staff, certainly Rosemarie Singh, Alison Drummond and definitely Pat Girouard for their excellent work. Staff always sit here but very often don't get the recognition they deserve. You work very hard and we appreciate it.

Finally, this will be the deputy's last opportunity to present herself to estimates, as she's moving on to new challenges. Over the course of 31 years, it's obvious to me as a first-time member of estimates and certainly to everyone here that you certainly have a wealth of knowledge and a degree of dedication that you should be very, very proud of.

I'm happy and I'm sure committee members are very happy that you will be able to spend more time with your two children, ages 12 and 17. You have a full-time job right there. We hope any new challenges you pursue will be successful to you, that you will find satisfaction in them, and that your many years of service will continue to always be very fruitful for not only the people you serve, but also yourself. Thank you very much, and good luck in the future.

**Ms Mottershead:** Thank you very much for the kind words.

**Mrs Boyd:** Mr Chair, I wonder if we might also say how very helpful Ms Mottershead has been throughout this process, and also say she must have started her public service awfully young.

**Ms Mottershead:** That's right. Child labour.

**The Vice-Chair:** Absolutely, no question.

As a final comment, I think Dan Newman, the parliamentary assistant, said it best. He said, "Certainly, I'd like to say she was a big help."

We stand adjourned. We'll meet tomorrow.

*The committee adjourned at 1650.*





## CONTENTS

Tuesday 24 June 1997

<b>Ministry of Health</b> .....	E-915
Ms Margaret Mottershead, deputy minister	
Mr Dan Newman, parliamentary assistant	

### STANDING COMMITTEE ON ESTIMATES

**Chair / Président:** Kennedy, Gerard (York South / -Sud L)

**Vice-Chair / Vice-Président:** Bartolucci, Rick (Sudbury L)

Mr Rick Bartolucci (Sudbury L)  
Mr Marcel Beaubien (Lambton PC)  
Mr Gilles Bisson (Cochrane South / -Sud ND)  
Mr Michael A. Brown (Algoma-Manitoulin L)  
Mr John C. Cleary (Cornwall L)  
Mr Ed Doyle (Wentworth East / -Est PC)  
Mr Bill Grimmert (Muskoka-Georgian Bay  
/ Muskoka-Baie-Georgienne PC)  
Mr Morley Kells (Etobicoke-Lakeshore PC)  
Mr Gerard Kennedy (York South / -Sud L)  
Ms Frances Lankin (Beaches-Woodbine ND)  
Mr Trevor Pettit (Hamilton Mountain PC)  
Mr Frank Sheehan (Lincoln PC)  
Mr Bill Vankoughnet (Frontenac-Addington PC)  
Mr Wayne Wettlaufer (Kitchener PC)

**Substitutions present / Membres remplaçants présents:**

Mrs Marion Boyd (London Centre / -Centre ND)

**Clerk / Greffière:** Ms Rosemarie Singh

**Staff / Personnel:** Ms Alison Drummond, research officer, Legislative Research Service

E-39



E-39

ISSN 1181-6465

**Legislative Assembly  
of Ontario**

First Session, 36th Parliament

**Assemblée législative  
de l'Ontario**

Première session, 36<sup>e</sup> législature

**Official Report  
of Debates  
(Hansard)**

Wednesday 25 June 1997

**Journal  
des débats  
(Hansard)**

Mercredi 25 juin 1997

**Standing committee on  
estimates**

**Comité permanent des  
budgets des dépenses**

Office of the Premier

Bureau du premier ministre



Chair: Gerard Kennedy  
Clerk: Rosemarie Singh

Président : Gerard Kennedy  
Greffière : Rosemarie Singh



### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8, Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Wednesday 25 June 1997

Mercredi 25 juin 1997

*The committee met at 1638 in committee room 2.*

## OFFICE OF THE PREMIER

**The Acting Chair (Mr John C. Cleary):** I call this meeting to order. This is the estimates committee. Today we're dealing with the Office of the Premier for two hours and 30 minutes.

The parliamentary assistant to the Premier has up to 30 minutes. Then the official opposition will have up to 30 minutes, the third party up to 30 minutes, and the parliamentary assistant has the right to reply up to 30 minutes. It is suggested that the remaining 30 minutes be divided, 10 minutes for each party, starting with the official opposition.

Any comments on what I've said? If not, we'll start with the parliamentary assistant.

**Mr Tony Clement (Brampton South):** Mr Chairman and members of the committee, it's a pleasure to be here to be part of the estimates process this afternoon. As a former member of this committee, I recognize the work of this committee and its deliberations.

With me today is Mrs Lee Allison Howe, who is the assistant deputy minister of corporate services for the Cabinet Office. She will be able to provide some detail if it is necessary, as well.

I am pleased to come before you today on behalf of Premier Mike Harris to present the 1997-98 estimates for the Office of the Premier.

As you will note from the material previously circulated, the Premier's office continues to hold the line on expenditures. The cost of running the Premier's office has essentially been flat-lined since this government took office, as I will outline in detail in a few moments.

**Mr Gilles Bisson (Cochrane South):** Excuse me. Mr Chair, the parliamentary assistant seems to be reading from a prepared text. I wonder if there are copies that we could follow along with. Normally that's traditional in this case.

**Mr Clement:** I don't have extra copies, Mr Chair. These are just notes that I prepared to be better able to express what is very important to this committee, but certainly if there are issues that the member wishes me to further elucidate on, we'll have time for that.

Before we get into some of the details of these estimates, I wanted to offer a bit of context.

Our party came to office with a goal of balancing Ontario's budget in five years. We started the process by getting our own house in order. Premier Mike Harris began his term by appointing the smallest executive council at Queen's Park in 30 years. Since taking office, we have undertaken a thorough review of every area of

government spending and we are on target to a balanced budget at the end of our term.

Our government is in the middle of implementing the most ambitious and positive agenda for change seen in this province in over 50 years. We've based this agenda on our blueprint for change, which was the Common Sense Revolution policy document, which was distributed to the people of Ontario in the last provincial election and which was subsequently endorsed through the general election.

We were given a mandate to make government work better for the people who ultimately sign the cheques, that is to say, the taxpayers of Ontario. Our government made one of the fastest transitions in Ontario's history. We hit the deck running, releasing in quick succession operating reduction targets, a throne speech and two economic statements.

Last spring, we again put our commitments in writing. These were the province's first business plans, which clearly showed the public the areas that we considered core businesses of government, the ones we were going to concentrate on, and what our plans were to forge a government that could do better for less. The business plans demonstrated our commitment to the principle of accountability to the taxpayer, and they outlined how we were going to live up to our promises to reduce the size and cost of government. A report on the progress we've made on this will be part of the next instalment of the business plans, which I expect will be released quite shortly.

Our policy and planning environment has been characterized by high volume and fast turnaround, so to accomplish our goals we increased the number of sessional days for the House, such as the special Who Does What session that started in January of this year.

*[Interruption]*

**Mr Bisson:** They are not applauding for you.

**Mr Clement:** Thank you for that clarification for the Hansard, Mr Bisson.

I don't have to tell anyone in this room that the numbers speak for themselves in terms of sessional days and other output in terms of the volume work. In our two years in office, the House sat for nearly 200 days. Compare this to the previous government's record in the year leading up to the 1995 election. From the end of June 1994 until election day the following June, the House was only in session for 20 days. We've made this happen with fewer people doing more work and holding the line on expenditures.

Before I get into details about how the money is spent, I'd like to comment briefly on the purpose and organization of the Premier's office. The Premier's office supports



the Premier in his role as the head of the executive council and the leader of the government of Ontario. The Premier's office coordinates the government's policy development and legislative agenda and the government's communications activities. It also supports and advises the Premier on issues facing cabinet and the government.

The Office of the Premier is responsible for the following pieces of legislation: the Executive Council Act, the Lieutenant Governor Act, the Policy and Priorities Board of Cabinet Act and the Representation Act. In support of this leadership role, there is the Cabinet Office, a separate ministry with its own estimates.

This is essentially the Premier's ministry. In the same way that ministers have political and bureaucratic advisers, the Premier receives political advice from the Premier's office, and corporate policy and operational support from Cabinet Office. The two offices work closely together to ensure consistency in the political and policy direction given to ministers and ministries from the Office of the Premier and the government's central agencies. To do this, the people in the Premier's office provide the following services: policy advice and direction; issues management; media relations through the Premier's press office; public inquiries; communications; liaison with the caucus; Premier's security; and Premier's scheduling and public appointments.

In some cases these functions involve a mix of the Premier's office and public servants. For example, Cabinet Office supports the Public Appointments Secretariat, although the unit is managed by Premier's office staff. There are also functions which support the Premier or his office that are located in the Cabinet Office. These include Premier's correspondence, policy analysis and coordination, communications, contentious issues monitoring, freedom of information, finance and administration, and information technology.

As I said previously, the Office of the Premier has fewer people doing more work. Currently members should know that there are 36 people on staff, down from 43 under the previous government.

**Mr Bisson:** Say that again, please.

**Mr Clement:** There are 36, Mr Bisson, down from 43 in the previous government, and I stress for the benefit of the members that this is a true count.

One of the things we did when taking over control of government was end the practice of keeping two sets of books. In the broader context, we acknowledged the true deficit numbers we had inherited from the previous government, as opposed to the ones distributed for media consumption. When it came to running the Premier's office, we found there were also two sets of books.

The Office of the Premier in the previous government had 20 hidden staff. These were people paid by different ministries, so their numbers were never included in the Premier's office head count. In addition, more than three quarters of a million dollars in salaries and benefits was buried in these other ministries and did not show up on the previous Premier's office books.

In our government, the Premier's office is paying its own way. The people we have on staff are paid through the budget of the Premier's office. We have no phantoms on staff now and so our numbers are the true costs.

That's why I can say the line has been held on expenditures when you add these ghost employees back into the previous government's actual costs. We're not hiding any staff. We're not hiding these numbers from the public and we're not hiding them from this committee. So let's look at how these numbers add up.

In the 1994-95 fiscal year, the previous government had 43 employees in its Office of the Premier, although it only showed 26 within that spending envelope. The balance of these were the ones I referred to earlier, who worked full-time in the Premier's office but who were on the payroll of five different ministries. The total expenditures of the previous Premier's office, with its so-called full staff of 26, was \$2,001,439, but when you add in the other 20 — you have to include them to have a fair and accurate comparison to today so we're comparing apples with apples here — the bill for their salaries and benefits adds a further \$763,057. I'm stressing this is in the 1994-95 fiscal year. This makes a total of \$2,764,496.

I want you to contrast this with the first fiscal year of our government. The 1995-96 figure for total expenditures was \$2,673,491; that's a decrease of 3.3%. The trend continued for 1996-97. Actual spending was \$2,610,430, down a further 2.4%. The Premier's office actual spending was \$124,185 less in 1996-97 than had been projected in its estimates. In the 1997-98 estimates now, there is no increase in spending for the Office of the Premier.

Two items have an impact on the final numbers, however, and I want to be clear on this as well. A portion of the contribution to the Ontario government pension fund was temporarily removed from ministries' budgets in 1995-96 and 1996-97. Since there was a surplus in that pension fund at that time, ministries did not have to make these payments for those two years. This holiday for payments to the Ontario government pension fund is over and the ministries across government must meet these employer payments once again, so this number is reflected in all ministry budgets for the 1997-98 fiscal year. As it does in all ministries, this requirement adds to the overall budget of the Premier's office by \$97,100.

**Mr Bisson:** Excuse me. I didn't get the number.  
1650

**Mr Clement:** That's \$97,100, Mr Bisson.

There was also an across-the-board salary adjustment for ministers and parliamentary assistants — and members, but in this case ministers and parliamentary assistants — reflecting the elimination of the tax-free allowance and changes to the pension plans for MPPs. The cost of these changes affects all ministries, of course. For the Premier's office, this adds a further \$17,967, split between the Premier and his parliamentary assistant. This brings the total estimates for 1997-98, as spelled out in your documentation, to \$2,831,715.

I want to tackle another issue head-on here. Recently the Premier's office relocated from offices on the fourth floor to the sixth floor of the Whitney Block. I'm not sure whether members were aware of that or not.

**Mr Bisson:** You have a sense of humour. This is good.

**Mr Clement:** You have to in this business.

**Mr Bisson:** Exactly.

**Mr Clement:** As background to the move, I should explain that property management is handled by the

Ontario Realty Corp. This corporation is an entity created by the previous government to manage the province's real estate assets on a businesslike basis. The relocation of provincial government offices out of Toronto, begun by the Peterson government and continued by the previous government, resulted in underused pockets of space in government-owned and -leased buildings. In some cases these moves left only two or three occupied offices on a floor or a couple of occupied floors in a whole office building. Some of this space was leased, making for a very expensive and inefficient way to house the small operations the relocating ministries left behind in Toronto.

ORC wanted to consolidate this space in government-owned buildings and sell off the resultant empty ones that it owned or terminate the leases for the ones that it rented. That was the driving force behind the relocations at the Whitney Block. ORC wanted to move operations that were scattered throughout the immediate Queen's Park area into that building. To do so, a number of the existing occupants in the Whitney Block were required to relocate within the building to achieve the best use of the remaining office space, including the Premier's office.

Offices for the Centre for Leadership were consolidated from leased space at 790 Bay Street into the Whitney Block, with immediate savings in these costs of \$700,000 a year. Total costs of the entire Whitney Block consolidation was \$2.9 million, which included \$700,000 in repairs that were required in any event. Based on the lease savings, this relocation project will pay for itself in about four years, and through similar co-locations and consolidations, our government has saved more than \$25 million in office accommodation costs.

ORC was putting into practice one of our government's key goals: doing better for less. The Premier's office was moved on the basis of this business case, despite the fact that the move, like any move, was disruptive at a time when the workload continued unabated. I realize that the Whitney Block relocation is not, strictly speaking, related to the estimates of the Premier's office, but I wanted to take this opportunity to set the record straight on the business rationale driving that move.

For our 1997-98 estimates, the numbers are there for all to see, so let me come back to the net result: The budget for the Office of the Premier has essentially been flat-lined since this government took office in June 1995, with the exception of the pension and statutory salary adjustments that I've already mentioned.

We're a government that is getting back to basics, introducing a sound fiscal agenda, restoring confidence in the economy, creating a climate for economic growth and job creation, bringing back responsibility and accountability when it comes to investing those hard-earned tax dollars. Making government work better for the taxpayers of Ontario and setting an example for the Ontario public service has to start at the top. We've cleaned up the operation of the Premier's office from the way it ran under the previous government. We've made it transparent and accountable. We've shown the true costs of our operations so that the public can judge for itself whether they are getting value for money.

Certainly the staff in the Office of the Premier have shown their willingness to take on new challenges, adjust to increasing workloads and shortened time lines and to find ways to do better for less, and they've done all these things while reversing the traditional upward spiral of costs that characterized the way previous governments ran the Office of the Premier.

The material previously distributed outlines the estimates expenditures for 1997-98 for the Office of the Premier. I'd be happy to discuss these numbers or answer any other questions that members may have at this time. Thank you for your time and attention.

**The Acting Chair (Mr Ed Doyle):** Thank you, sir. Now we go to the official opposition for up to 30 minutes, sir, if you'd like to take the floor.

**Mr Gerry Phillips (Scarborough-Agincourt):** I forget when we get to ask the questions.

**The Acting Chair:** As I understand it, the remaining time will be left to questioning. I was just checking with the clerk to ensure that I was getting that correct. Each individual party has up to 30 minutes and then we'll go to questions. I'm sorry; he'll have the right of reply and then we'll go to questions. He had some time left in his presentation if he wanted it, but he chose not to use up his time.

**Mr Phillips:** I'm new at this so I need some help.

**The Acting Chair:** Yes, I'm kind of new at it myself.

**Mr Phillips:** I had anticipated coming to be able to ask questions.

**Mr Clement:** You don't have to do a statement if you don't want to.

**Mr Phillips:** I could ask questions? If I don't do the statement, I will give up my half-hour?

**The Acting Chair:** It is up to you to use the time as you choose.

**Mr Phillips:** So I could ask questions.

**The Acting Chair:** Yes.

**Mr Clement:** The way I understand it to work, Mr Phillips, is that you've got a certain amount of allocated time that you split between a statement and time for questions.

**Mr Phillips:** With my half-hour.

**The Acting Chair:** It's up to you.

**Mr Trevor Pettit (Hamilton Mountain):** He can do whatever he wants.

**Mr Phillips:** This is good. Now I'm rolling.

**The Acting Chair:** You've got your choice. You can say what you want or you can ask what you want, as I understand it.

**Mr Phillips:** I'll learn more by asking questions, I think.

**Mr Clement:** Dare to dream.

**Mr Phillips:** The first question would be, how does the budget split between the Cabinet Office and the Premier's office? You were saying that the total budget is \$2.8 million. How does that split between the Premier's office and the Cabinet Office?

**Mr Clement:** They're considered separate budgets, although, as I mentioned to you, there has to be some overlap.

**Mr Phillips:** So the \$2.8 million doesn't include Cabinet Office?



**Mr Clement:** No, it's a completely separate budget item. What I mentioned in my remarks was that there's some staff that obviously are working on joint projects and enterprises where we have to allocate those among either Cabinet Office or the Premier's office, but they are two separate functions.

**Mr Phillips:** Just looking back over from 1995-96, which would have been partially a previous government, are the functions handled by the Premier's office and the functions handled by Cabinet Office the same? I see the correspondence unit and what not; that was always in cabinet office?

**Mrs Lee Allison Howe:** That's correct.

**Mr Phillips:** So we're comparing, as I say, apples to apples. That was helpful in how cabinet works with the Premier's office. The analogy you used was that that's the Premier's ministry. I think that's the language you used.

**Mr Clement:** That is correct.

**Mr Phillips:** Do the Premier's office and Cabinet Office have a policies and procedures manual? Is there a procedure that's followed by the senior staff in both offices?

**Mrs Howe:** Yes, we have policies and procedures for what's covered under which budget codes and that sort of thing.

**Mr Phillips:** I'm thinking more of operating procedures.

**Mrs Howe:** Yes, we do. Ours hasn't been updated for some time, but we do have policies and procedures manuals for Cabinet Office.

**Mr Clement:** One good example of that would be, just to take a simple example, the correspondence unit, which I understand is a Cabinet Office function, but it obviously deals with issues and issues management and the Premier's correspondence, so they would have to have certain rules in place about how certain questions are answered or how they're forwarded on to other ministries, that sort of thing.

**Mr Phillips:** Is that a public document or a private document?

**Mrs Howe:** I don't think there would be any difficulty with making that public for you, Mr Phillips.

**Mr Phillips:** I wouldn't mind. Maybe the parliamentary assistant could just look into that.

If you don't mind, I'll sort of jump back and forth. You're the assistant deputy minister, I gather. Are there procedures for how you deal with reporting on issues and things like that? I'm just wondering who prepares the issues material.

1700

**Mrs Howe:** If you're referring to the Premier's briefing materials —

**Mr Phillips:** Let's say there was an issue that cabinet office was dealing with. Is there a procedure for how you report those things?

**Mrs Howe:** If you're referring to daily issues, yes, there is a process. Ministries provide briefing notes through to our contentious issues unit and those issues notes are passed on to the Premier's issues manager.

**Mr Phillips:** Right. Does the Cabinet Office ever prepare briefing notes?

**Mrs Howe:** No, we don't prepare briefing notes for the Premier. The Premier's office prepares political briefing notes. We coordinate the assembly of the information from the ministries and then we pass the notes through to the Premier's office.

**Mr Clement:** The Premier theoretically could have two sets of briefing notes; one is on a public policy side of things, which is handled by Cabinet Office, and the other is from a more political advisory standpoint, which is from the Premier's office.

**Mr Phillips:** So the Premier has, I guess, some policy staff.

**Mrs Howe:** That is correct.

**Mr Phillips:** And the Cabinet Office has no policy staff?

**Mrs Howe:** Yes, we have policy analysts who provide the civil service analysis of public policy documents coming through from the ministries.

**Mr Phillips:** Right. Does the cabinet attend, as the civil servants on behalf of the Premier, on issues? You are the Premier's ministry so would you be the equivalent — if there were a committee set up with representation of various ministries, including the Premier's office, would it be the Cabinet Office that would be the bureaucratic equivalent of the Premier's office?

**Mrs Howe:** Depending on the issue, I would say yes.

**Mr Phillips:** If you were attending the meetings, I guess you'd report to the cabinet secretary.

**Mrs Howe:** That's correct.

**Mr Phillips:** That is whom you would report to, not to the Premier?

**Mrs Howe:** That's correct.

**Mr Phillips:** Okay. Are there procedures for how the cabinet staff report on issues to the secretary of cabinet?

**Mrs Howe:** Is there a procedure for how we report?

**Mr Phillips:** Yes. I mean, is it accepted procedure that you report orally, you report in writing, if you attend an interministerial meeting? I gather there are lots of those things around.

**Mrs Howe:** In terms of daily briefings, we don't attend the Premier's daily briefings as staff. His staff brief the Premier. In terms of issues notes coming through from ministries, those are provided to the secretary of cabinet.

**Mr Phillips:** Obviously, one issue of immense interest to me is Ipperwash and trying to figure out in my own mind how events unfolded there. I know, for example, there was what I think they called an Ipperwash crisis communications procedure and contact list, which coincidentally you're on, which caught me a bit by surprise. But I see in this particular case that the members — were you a member of that core group?

**Mrs Howe:** No, I was not.

**Mr Phillips:** Was Cabinet Office represented there?

**Mrs Howe:** I thought we were here to talk about the estimates, but —

**Mr Phillips:** I'll tell you what I'm interested in is the procedures that are followed in the Premier's office, because it struck me as odd — if the Premier had the procedures in place, I would have thought there would have been summary notes kept. If they weren't kept, then I wonder if the Premier's office has procedures in place for dealing with these things.

Again, it may put you in a tough spot. Tell me if it does and I'll deal with Mr Clement. But just because you're the senior person here on behalf of the Cabinet Office, which is the bureaucracy of the Premier, I was just trying to figure out how it would be that there were never any notes kept by either the Premier's office or Cabinet Office over a one-month period. Would that be normal?

**Mrs Howe:** It wouldn't be abnormal, because we generally don't generate our own notes on issues from Cabinet Office because we generally don't have issues. The issues generally belong to the ministries and the ministries research the responses and send the information through to Cabinet Office. We pull information together to pass it along to the Premier's office. That's our job.

**Mr Phillips:** As I say, in here it indicates minister's office, Cabinet Office, the core working group. I don't mean to put you on the spot, but it does indicate that the Cabinet Office was represented on this group.

**Mrs Howe:** I'm sorry, sir. I don't —

**Mr Clement:** I'm not sure what document you're referring to, Mr Phillips.

**Mr Phillips:** This is the Ipperwash incident crisis communications procedure.

**Mr Clement:** I've actually never read that document, so I'm unable to comment on it.

**Mr Phillips:** But the question is really, if Cabinet Office were represented — and it says here that all members would keep a daily log and the support group will maintain a daily log of events, citing the specific incident, individuals involved. I guess what I'm trying to find out is, for you, Mr Clement, would it be normal for the Premier's senior staff to attend a series of meetings dealing with something like this and never write down what they were supposed to be writing down, according to this document, which is a daily log of events?

I'm trying to figure out, is it normal procedure that this would happen, or is this abnormal procedure?

**Mr Clement:** The only knowledge I have of the events that you refer to are from daily question period. I can't answer that directly. What I can tell you from my experience as the parliamentary assistant is what happens in different scenarios that I've been involved with. For instance, if there are meetings that are preparation for meetings where there will be minutes, cabinet minutes or committee of cabinet minutes, then typically Cabinet Office will provide their public policy analyses of the issues that have been brought forward by the various ministries for review by members of those committees which are cabinet committees.

For instance, if there is a matter that is going before P&P, typically members of P&P, the policies and priorities board of cabinet, would have the advantage of a policy analysis done by Cabinet Office on the issues that are coming forward.

As I am sure you are aware, that's a fairly formalized process, but there are a number of meetings that occur every day of every week in Premier's office and in Cabinet Office which are not preparatory meetings for minutes meetings. They are merely the management of issues that rise or proactive management of issues they feel should arise or are about to arise where typically

there would not necessarily be minutes taken nor paper documents because you're dealing informally as part of a team, Cabinet Office and Premier's office working together.

I'm not sure I can answer your comment directly, but my observation, based on my experience thus far, since January 1997, as parliamentary assistant, is that you have both types of meetings happening every day.

1710

**Mr Phillips:** The Premier's office was on the core working group. Shelley Spiegel, is that someone from Cabinet Office?

**Mrs Howe:** That's correct.

**Mr Phillips:** When someone from Cabinet Office is asked to attend a meeting like this and then it says each ministry is to be responsible for briefing its ministry, keeping any log, would it be unusual that the person from Cabinet Office wouldn't keep any notes, would not have any summary of a meeting like this?

**Mrs Howe:** It wouldn't be unusual. We go to a lot of meetings where people aren't keeping notes on every issue. I really couldn't speak for somebody else. I wasn't at the meeting, so I don't know.

**Mr Phillips:** You were not on the crisis committee that was the crisis communications group?

**Mrs Howe:** No, I wasn't at the meeting.

**Mr Phillips:** Who from Cabinet Office would have been on that?

**Mr Clement:** I'm trying to keep to the numbers here. That's what I was briefed on in terms of what I thought people would want to know. We're here at estimates. I'm not quite sure where we're going on this.

**Mr Phillips:** Where I'm going is, how the Premier's office works.

**Mr Clement:** I'd be happy to answer. Definitely you are well within your means to ask questions, and we'll give an answer which outlines how the Premier's office works.

**Mr Phillips:** How would it be that the Premier's executive assistant would be at daily meetings running, I gather, often three hours, the Cabinet Office there as well, involving what has to have been — this wasn't just an incidental meeting; this was a crisis of the first order. As a matter of fact, they were meeting seven days a week and they had to be available for the possibility of hourly. Would it be normal procedure in the Premier's office that there wasn't a note, a file, a memo, a summary, nothing, not one piece of paper ever kept by the Premier's office on something of that significance? Is that, in your mind, realistic?

**Mr Clement:** Again I apologize that I have to rely on my general observation since January 1997 of how the Premier's office works and how it interrelates to the Cabinet Office, but my general observation has been that there are explicit notes, summaries, analyses that are generally required of Cabinet Office and as a matter of course emanate from Cabinet Office in preparation for meetings that are going to be minutes meetings, that is to say, meetings of the planning and priorities board of cabinet, meetings for subcommittees of that board, which I have had the occasion to serve on. I've certainly seen Cabinet Office documentation which are basically



analyses of the ministry public policy areas going into those meetings. In those circumstances, I think you're quite right, Mr Phillips, you're absolutely bang on that there would be documentation in preparation for minuted meetings.

But of course there are many other meetings that occur, some more casual, some that are not in preparation for minuted meetings, where you are seeking the expertise of persons without the requirement or the expectation that analysis would be in a written form. All I can tell you, based on my general observation, is that both types of meetings occur and that Cabinet Office, in its flexibility and in its varying requirements, which are determined at the time based on what meeting occurs, renders its judgement either in verbal form or in written form.

**Mr Phillips:** In terms of briefing the Premier on something like this, because the crisis group was looking to make decisions as well, ensure that all decisions are made from a common — how would the Premier's staff get a decision from the Premier? Would it all be done orally or would there normally be a note saying, "Here's the decision we need from you"?

**Mr Clement:** Again based on my general observations, either occurs, depending upon the circumstances. For instance, the Premier sitting at the cabinet table or the table of the planning and priorities board, typically as a member of both of those boards, if what he articulates is the consensus around the table, then certainly his views or views of other ministers or other participants in those meetings, if that is the agreed-upon consensus, then those views are minuted. But the Premier not only is the first among equals, shall I say, as the Premier and the head of the executive council, he is also the party leader, he is also the leader of a parliamentary caucus, he is also the political leader of the government of Ontario, so in other meetings it is just not typical or appropriate that you would have a minuted structure. It just would not be what you would do at those meetings.

At some meetings I'm sure he verbalizes as part of getting to a consensus on a particular point, which might be more of a political point rather than a public policy determination. At other meetings, when you're dealing with public policy determinations, as you know, you've got to minute them, because there has to be no question after the fact as to what the direction of cabinet or of the planning and priorities board would be.

**Mr Phillips:** I'm interested in the procedures in the Premier's office. It strikes me as beyond my own personal belief that the executive assistant would attend daily meetings like this and never, ever write down one single thing and that the senior communications person would attend meetings and never, ever write down a single thing, in spite of the fact that it's the first shooting of a first nations person in 100 years. Is that common procedure in the Premier's office, that people attend meetings representing him and never write down a thing about the meeting, that they've never kept a note for themselves of what took place? I've never, ever seen or heard of an operation like that.

**Mr Clement:** Again, I would rely upon the structure I have observed, Mr Phillips, with relation to whether the issues meeting culminates in a public policy direction,

which typically is then discussed at P&P or at cabinet or at both. That's my understanding and my observation, that in those cases certainly things are written down. In other cases what typically happens, as Mrs Howe has reminded me, is that if there's something of an inter-ministerial nature or something where you're relying upon the delegated responsibility of various line ministries, you also have notes from those ministries and you rely in terms of written notes on their notes, not necessarily your own notes.

**Mr Phillips:** That would be true of Cabinet Office too, that a senior person in Cabinet Office would attend meetings like this and never keep a file for themselves, a summary of the meeting, that you'd require nothing in writing even for file memos from people in Cabinet Office attending a meeting?

**Mrs Howe:** Not necessarily. We don't require people to keep notes of meetings if it's not a minuted meeting. We count on the ministries to provide the briefing materials and to provide us minutes and to provide us issues notes.

**Mr Phillips:** I guess you probably answered the freedom of information request, then, because I see you're responsible for that. I gather you informed the freedom of information office that Cabinet Office did not at any time write a memo, a note, a file on Ipperwash.

1720

**Mrs Howe:** That's correct. According to our records, we don't have any originating records at Cabinet Office.

**Mr Phillips:** In terms of what you just said, Mr Clement, I think you said it would be a little unusual — Hansard may prove me wrong. Does the Premier or the Premier's senior staff have any procedure they follow when people attend meetings on behalf of the Premier, in terms of how the Premier or the Premier's senior staff want records kept of those meetings?

**Mr Clement:** Based on my observations, Mr Phillips, again depending upon the meeting, if it is culminating in a public policy judgement, then certainly notes are kept, a public policy judgement meaning something that is going to cabinet or something that is there prior to legislation being contemplated by the cabinet.

As Mrs Howe, the assistant deputy minister, mentioned, there are daily briefings of the Premier that occur by the Premier's office staff on issues they choose to brief the Premier on based on their judgement of what he needs to know in preparation for the day or in preparation for the week. Certainly, that is a common practice that those briefings would occur.

**Mr Phillips:** This would be, I gather, the kind of issue where he would be briefed, obviously.

**Mr Clement:** I am just not familiar enough with that issue, sir. I'm sorry.

**Mr Phillips:** What group is responsible for the preparation of those briefing notes in the Premier's office? Is that the issues management group?

**Mr Clement:** Which briefing notes, Mr Phillips?

**Mr Phillips:** The ones you mentioned, the daily briefing of the Premier.

**Mr Clement:** I didn't mention briefing notes; I mentioned briefings, which are meetings. In terms of briefing notes, I can tell you on public policy issues,

which has been my experience, that Mr Giorno, who is in charge of policy planning, and his staff typically do create Premier's notes for the Premier, rendering political advice which he is free to accept or reject, and frequently does either or both. They would be the people who would generate public policy, political advice kinds of notes, which are an overlay on what Cabinet Office and what the line ministries provide.

**Mr Phillips:** Right. I gather that's done daily, is it, when the Premier is here?

**Mrs Howe:** The issues process happens every day, but the notes come in from the ministries. We don't create our own issues notes at Cabinet Office. We request notes from ministries, and we bring them in and pass them along to the Premier's office.

**Mr Phillips:** Right. Cabinet Office would never prepare them?

**Mrs Howe:** We don't prepare issues notes.

**Mr Phillips:** Okay. Even on those areas where you have responsibility?

**Mr Clement:** I must say, Mr Phillips, I have never seen an issues note from Cabinet Office. I have seen notes which analyse legislation or proposed legislation, things like that, and I have also seen notes that are provided to the Premier by his policy staff, which are political-type notes, but I haven't seen issues notes from Cabinet Office.

**Mr Phillips:** They would tend to be, as you say, prepared by line ministries and then there's an overlay by the policy planning unit, Mr Guy Giorno.

**Mr Clement:** I apologize that my experience is not broader, but my experience has been in public policy determination leading eventually, hopefully, to legislation. In those types of cases, in preparation for P&P meetings, that is to say the planning and priorities board of cabinet, or for cabinet meetings, frequently — I don't want to box myself in and say invariably — Mr Giorno and his staff do provide policy political advice to the Premier. That is part of their job.

**Mr Phillips:** Sure. So it's that group, the policy planning unit, that would prepare the briefing notes, as opposed to some other group in the Premier's office. Have I got that right?

**Mr Clement:** In terms of public policy determination leading to legislation, which I must say is almost the full extent of my experience on these issues, that is what I have observed.

**Mr Phillips:** Okay. Just so I'm clear, that's who does the briefing of the Premier, then? I'm just trying to get an idea of how the process works around the Premier's office.

**The Acting Chair:** About 60 seconds to go, Mr Phillips.

**Mr Clement:** Typically, all of his senior staff would be involved in the daily briefing, Mr Phillips.

**Mr Phillips:** Okay. That's useful.

**Mr Clement:** You'd have communications, you'd have the principal secretary, of course, and the assistant principal secretary scheduling. They would go through everything, I'm sure.

**Mr Phillips:** In terms of the briefing notes, are briefing notes a matter of public record or are they privileged documents?

**Mrs Howe:** They're advice to government. It depends on each individual one, how much of the information could be released under freedom of information.

**The Acting Chair:** Okay, that's 30 minutes, Mr Phillips. Thank you very much. We appreciate it.

We move on to the third party now. Mr Bisson, how would you like to handle your 30 minutes?

**Mr Bisson:** As best I can.

**The Acting Chair:** Okay, away you go.

**Mr Bisson:** I was most intrigued with the line of questioning from the member for Scarborough-Agincourt; that's for another day. I am going to, rather, try to deal with some of the other issues with regard to the Premier's office, not that the issues Mr Phillips raised were not important and something we need to get to. But I want to follow a little bit of a different line.

There are three things I want to do. I want to, first of all, respond to some of the comments made by the parliamentary assistant. I want the parliamentary assistant to know up front I think he's a heck of a nice guy and tries to do his job well and all that. But all that being equal, my job here is also to try to ascertain how the estimates of the Premier are working, if it's to the benefit of the people of Ontario and if it's working the way it should. With that in mind, let's go on.

The first thing I would say is that one of the comments I found really intriguing from the parliamentary assistant at the very beginning was when he said how, ever since his government came to power, it had a principle of accountability in everything it did. I have just come out of the question period process today and watched the Premier respond, I think miserably, to a very serious situation that happened to three cabinet ministers with regard to the Integrity Commissioner's act.

For the parliamentary assistant to come here and say that this government and this Premier have always had principles of accountability, if that were the case, the Premier would have done the right thing. Clearly, the three ministers have contravened the conflict-of-interest guidelines with regard to the Members' Integrity Act. The traditions of the Legislature and the traditions of the British parliamentary system over the years have always been that when those guidelines are broken or when inappropriate action on the part of any minister is taken, the minister himself offers his resignation; if not, it's the responsibility of the Premier to make sure the resignation is taken because, after all, the Premier appoints cabinet ministers the same way the Premier can unappoint them fairly quickly.

I'm not going to spend a lot of time on this, but I need to make the point. What troubles me about this whole situation we find ourselves in with regard to what has happened this afternoon is that the Premier has demonstrated over and over again this lack of understanding of what his responsibility is as Premier of this province. One of those responsibilities is that he has to make sure that his cabinet is kept on the straight and narrow, that in fact they're following the laws and the government is following the laws and the principles. The point is, for somebody to say that this government believes in principles and accountability, I really find it passing strange that this is said on the same day the Premier didn't accept



responsibility or accountability for the actions of three of his ministers.

His response was that the Integrity Commissioner, Mr Gregory Evans, didn't set any penalties within his decision. Well, excuse me. If anybody read the Members' Integrity Act, you would understand that the commissioner cannot, by law, direct the Premier to take any actions when it comes to the conduct of the minister; that is left to the Premier himself. The role of the Integrity Commissioner, Mr Evans — who I might say is an ancient constituent of mine; he comes from Timmins, good gentleman that he is and about to retire, should have retired some time ago, and has done the job admirably for years — is to point out whether or not there was a breach of the conflict-of-interest guidelines. That's his job, and that's all he can do when it comes to members of the cabinet. Then the Legislative Assembly Act basically says that the Premier now has to make a decision based on the report of the Integrity Commissioner.

What I find really distressing is that in this particular case the Premier says, "Well, I'm going to apply the standard a little bit differently when it comes to my ministers and my government than was the case when other governments were in place." The danger here is that yes, the Tory Mike Harris government was elected, it got a majority of the seats in this Legislature by virtue of our British parliamentary system; first past the post, you got 42% of the vote, whatever the numbers were, and you got about 65 —

1730

**Mr Bill Vankoughnet (Frontenac-Addington):** Better than 38.

**Mr Bisson:** To make the point, by virtue of the British parliamentary system, our system, it's first past the post. Your government, with 45% of the vote in Ontario, won over 60% of the seats in this House, and you can do what you want. But incumbent upon being government is also ruling within the law and governing within the intent of the law and not taking yourselves above or beside the law and always trying to make sure that we're there recognizing the democratic principles our society is built on. If there's one thing that really bothers me about this government, and I think it's bothering a lot more people out there, it's how this government is flagrant when it comes to their democratic responsibilities towards the citizens. That comment I couldn't let go.

**Mr Wayne Wettlaufer (Kitchener):** You must have learned all this since you were in power.

**Mr Bisson:** You learn a lot of things being on both sides of the House. One of the things you learn from going from government to opposition is that the road out is pretty quick, and you never think it's going to happen to you. When you get on the other side, you start to recognize that it ain't what we think it is sometimes when we're in government. It's a humbling experience being on both sides of the House and something hopefully, when we go back in government, that I have learned. I'm not going to repeat some of the actions I think all governments have been guilty of, not just yours. But that's the arrogance of power. We need to find a way in our system of government so that, yes, the government has the right

to govern and make decisions on behalf of the people, that's what responsible government is all about, but must do so in a method that recognizes the democratic principles. That's what bothers me about this government.

The other thing the parliamentary assistant went on to talk about was how the Premier's office is responsible for coordinating all government policies. No kidding. If there has ever been a Premier in Ontario who has centralized the power of cabinet and the power of a government, it's Mike Harris. Again, I, as a member of a previous government under Bob Rae, and Mr Phillips, who was a member of a previous government under Mr Peterson, understand that premiers, by nature of the job, have a lot of power. Some of them like to keep that power close to them a lot more than others.

The comment I would make is that if there's a Premier in the history of Ontario in my short memory of being conscious of what happens within the politics of Ontario, this particular Premier really is running what I think is akin to a one-man show. You've got the whiz kids in the Premier's office, who make most of the decisions along with the Premier, and everybody else has to fall in line and follow. I don't mean that to be combative. I'm saying this because I think one of the things we need to learn in modernizing our parliamentary system is a way to give all members, not just members in the opposition but all members in government and opposition, individual members, the ability to affect public policy. If there's something that really bothers me about what's happening in our Legislature today and has been coming for some years — it's not, you know, the Mike Harris government that made this happen alone — it is that this parliamentary system we have today, our Legislature, works more and more for the Premier and the cabinet and less and less for the individual members and for the people of the province we're here to represent.

I don't think it's particularly a lot of fun, especially for backbench government members or opposition members, to watch some of the decisions being made, really feeling as if you have no power to influence, because in the end the Premier, because of the nature of this place, decides everything. This Premier has demonstrated that he likes power, he wants to keep it close to him and is going to exercise that power in the way he sees fit.

He's going to get some things right. No Premier is elected and does everything wrong. I'm the first to admit that Premier Harris has made some good decisions in being Premier of the province. But I think not only myself and Mr Wettlaufer, but a lot of other members in this assembly, and I would include government members, are really worried and really, truly concerned about some of the decisions being made around here. I'm not saying that in partisanship; I'm saying that for what it is.

One of the things we desperately need to do in our parliamentary system is find a way to modernize it so that the people can find a voice in this place and that when people look in the Legislature they don't see party organs and they don't see the Premier's office running everything, rather what they see are members who, yes, are part of parties and, yes, have an idealistic belief that they bring to the Legislature but respond to the needs of the citizenry.

What we've seen in this Parliament — and it didn't start with this government; it started a long time ago, just by the natural evolution process of the parliamentary system — what we've seen in this government, is a real acceleration towards the whole issue of how individual members of the government and individual members of the assembly really don't have a lot of say about what happens and the decisions are made centrally by the Premier's office. That disturbs me.

**Mr Wettlaufer:** You're making those assumptions because you were a member of the previous government.

**Mr Bisson:** I was a member of a previous government, as was Mr Phillips a member of that government's previous government, as was Mr Harris a member of the previous Davis government. We all saw premiers make decisions and we all saw premiers like to exercise power. The point I make is that this particular Premier is really drunk on power in the sense that he really likes to keep everything close to him and he likes to make those decisions and likes to be able to basically hold all the cards. In the end, individual members and the public suffer for that.

The other thing the parliamentary assistant said, which again was of interest — it's interesting he made this reference, and I hope I'm not getting this wrong — was that the Premier's office staff, and ultimately the Premier, oversee the running of the public appointments secretariat, as I call it, and are responsible for it. I guess that's true with any government, that we all make political appointments to boards and commissions; it doesn't matter if it's a Tory, NDP or Liberal government. But what we're seeing with this particular government is really a return to the basics, as Mr Clement has put it, where we're putting in the good old boys, the good friends of the Tory Party, and some of them I guess of the caucus, to be responsible for commissions.

I note that just recently the Niagara Escarpment Commission has seen the appointment of a couple of individuals who have, as stated fact, publicly said they want to see the Niagara Escarpment Commission disbanded. They want to see it gone, they want to see it out of the way, so developers can have a free hand on the Niagara Escarpment.

When you see a government making those kinds of appointments, it reflects back on the Premier in the sense that you don't have a real public process of vetting whom we appoint and making sure the people appointed to the various commissions are appointed in such a way that we have the best possible people, with the interests of that commission's mandate, to follow through on those issues.

I would expect that a person appointed to the Niagara Escarpment Commission would be somebody who was either in the development business or in the real estate business or an environmentalist or a municipal politician who has an interest in the Niagara Escarpment and wants to see it preserved; that's the key word. What we've got is that this government on a number of occasions has appointed — and I've got to think, because of the comments made by the parliamentary assistant, with the knowledge and probably the assent of the Premier — people to commissions who have some pretty different ideas about what these commissions should be doing. Again, that scares me greatly.

**Mr Wettlaufer:** Dave Cooke.

**Mr Bisson:** Yes, David Cooke was appointed to the Education Improvement Commission; not the guy I would want to see there, to be quite blunt. I would have been happier seeing Dave in other capacities. I think he's a very competent guy. He was Minister of Education and a valued member of our caucus. It's not the appointment I'd like to see him in, but he's there. Better him than the devil we don't know. That's my view, I guess.

Anyway, the point I make is that when I hear the parliamentary assistant talk about the Premier's office overseeing all public appointments, yes, we know about that, and I think that's too bad. We need to try to find a way; our government had gone a long way in trying to find a way to make the public appointments process as independent of political interference as possible. It wasn't clean — there's no such thing as a public appointment that's totally clean — but I can tell you, as a member of the former NDP government, you had to go through a fairly stringent process to be appointed to commissions.

I look at my riding, which was only one of 130 ridings at the time from which people were appointed to various commissions and boards that were responsible to the province and to the people in my riding, and about 65% to 70% of those people appointed were not New Democrats. I'm actually proud of that, because we appointed the best possible people for the job. When that was a New Democrat, we did so; and when it wasn't a New Democrat, we didn't appoint the New Democrat. We actually went out of our way to make sure — I know where you're going to start making your comment, but the point I'm making is that in the end we made darned sure we didn't put ourselves in the position where the majority of the people on the boards and commissions were card-carrying New Democrats.

1740

I look at the Ontario heritage board. The appointment from our area was Jim Kiezer, who was not to my knowledge a New Democrat, probably a Tory — I would say a red Tory, certainly not one of this group — who served well on the board. Jaimie Lym on the Timmins police commission; I don't know her politics, but I can tell you I don't think she has mine. She certainly doesn't have a card as a New Democrat. I can go over and over all the appointments of justices of the peace and others. They were basically people appointed by an independent process that was fairly stringent. I think that was better for the province and better for us overall. In fact, I used to bemoan sometimes the ability to appoint some of our NDP people who I thought should have been appointed and really had to go the extra mile to prove they deserved the appointment. Anyway, the point I make is that this government has a record that's a bit sad when it comes to appointments.

This I can't resist — boy, oh, boy. This government ran on getting the budget balanced, so we must clean our own house first. That could be partly true. I guess that statement is based on some fact, but when we talk about our own house, we should be very careful where we throw stones and we should be very careful about what we're saying here. The media haven't picked this up, and I am amazed. It's either that you guys are Teflon when



it comes to this issue with the media or the media don't care. When it comes to the salary of the Premier as compared to what premiers used to get paid before, the Premier makes a hell of a lot more money than any other Premier has made in the past. The Premier of the province prior to Mike Harris taking office used to be paid in the neighbourhood of around \$90,000 per year, a \$44,000 basic wage that all members got and about a \$35,000 stipend above that and a tax-free allowance, which brought you to about \$90,000.

This government has changed the way we pay members. Some of what they did was right. They took away the tax-free allowance, what we used to call our stipend, and they rolled it into our wages; not a bad idea. I think constituents deserve to know that whatever dollars I get, I pay tax on. I don't have an objection to that. But I look at the Premier's salary. I look at what Bob Rae used to get paid and I look at what Mike Harris gets paid, and there's about a \$40,000 difference; a guy who says, "I'm going to get my own house in order"? I'm sorry. I look at what cabinet gets, and I look at what I get as a member. All I know is that at the end of the day when I look at the overall salary the Premier gets, he gets substantially more than other premiers got before.

If we're going to get into the issue of pensions, my God, a book could be written about what the Premier did. I think he was directly involved in how the members' pension plan was restructured to where I don't think Mike Harris and a whole bunch of other people are hurting by getting rid of what were called gold-plated pensions; I think in the end they turned them into platinum.

That is an interesting comment to make, that we need to get our own house in order. Getting our own house in order doesn't mean we should all cut our salaries and work for nothing, but it means that you don't treat yourself any differently than you would treat anybody else. All I know is that when I look at people who work for the government, either political staff or the civil service, they didn't get a whole bunch of salary increases. When I look at what the salary of the Premier of the province used to be, unless I'm terribly mistaken, it was \$44,000 plus \$35,000 plus around \$12,000 on the tax-free, and now it's a base of \$78,000 plus \$61,000, for \$139,000. It's interesting that we would make that comment.

The other point that the member raised, and again I need to touch on this only to set the record straight: The parliamentary assistant talked about how this government has sat in the House for the last 200 days and in the last year of the Rae government we only sat for 20 days. Don't give people the illusion that the Rae government never sat in the Legislature. The reality is that we had a fall sitting in 1994 and, prior to the session being called, the Premier, Bob Rae, decided to call an election.

That is probably what's going to happen with you at the end of your term: You will call an election based on the Premier's thinking of when it should be done. If you happen to call the election in the spring of whatever year, you will have sat less than any other government in that one particular year because you will only have your fall session to count or maybe no days at all, depending on when you call.

I was a member of the last Legislature, the 35th Parliament; where we sat in excess of what the previous government had sat before that, and not because the previous government under Mr Peterson didn't want to do any work, quite to the contrary; they did a lot of work when they were government. But I remember sitting here well into August and some pretty extended sittings dealing with what were the government's priorities at the time.

To leave the illusion that the Rae government didn't sit at all, we only sat for 20 days in the last year, implying that somehow or other the government didn't want the Legislature to sit or that we weren't interested in doing the business of Ontario, is very misleading and wrong, and I think that needs to be clarified.

Every government has an agenda that it wants to carry forward and pass into legislation. This government has sat a lot this year. I accept that. One of the reasons this government has sat a lot this year is that you want to pass your entire agenda within the first two years of your mandate, so that in the last three years or the last one or two years of your mandate you can hopefully get all the bad news behind you, throw a few crumbs at the end and hope the voter forgets and you can win another majority.

That's basically the strategy of this government. Who knows? It might work. The voters voted back in the Liberal government in Ottawa, so who knows? Maybe the memory of the voters is short, and maybe they're going to say, "I don't remember everything the Harris government did." I doubt that. I think the stuff you guys are doing as a government — on balance, 20% of it is okay, the rest of it is either questionable or pretty darned wrong — will be remembered by the people of this province.

I just look at the travels I've had through the province — and I travel probably more than most members in this House. In fact, I'm listed as the member with the seventh-highest expenses when it came to travelling last year, and that's because I'm travelling the province and travelling between my constituency and here doing my job, as all other members do.

In going around the province, I can tell you, from Thunder Bay to Fort Frances to North Bay, Timmins, Ottawa, Toronto, Windsor, everywhere I go, increasingly there are people who are very, very concerned about where this government is going. Still they're prepared to say: "Maybe this will work. I hope it does. They tell me it will. All I know is, I want the balanced budget at the end of it. That's sort of the gift. They tell me it's going to work, so I kind of believe, but Jeez, I really worry about where this is all going. Will my health care system still respond to the needs of the people? Will our education system still work for our kids? Will our roads be maintained? Will our municipalities still have infrastructure that will serve the needs of our communities? I'm really worried about what will happen in the longer run."

The problem this government has is that it's going to try to coast for the last two years, but it's pretty hard to coast when you've got an agenda such as yours hung around your neck. This government is going to have some problems when it comes to the electorate when they go back to vote, for the very simple reason that there's hardly anybody you haven't touched.

That's really one of the things I learned when we were in government: The success of a good government is a government that is able to manage change effectively so that people come to terms with the change you want to make and buy into it. This government wants the change to happen, they're not managing it very well and they don't give a darn if people like it or not, they're doing it. In the end, I think you're going to pay a political price for that.

The other comment the parliamentary assistant made was about dealing with the estimates themselves, when he talked about the staff of the Premier and the staff of the parliamentary assistant. Some of the numbers are kind of interesting. There's an old saying, "Figures lie and liars figure." There are all kinds of sayings. We look at numbers and we make what we want of them. But I want to clarify a couple of points.

First of all, the parliamentary assistant, as the Premier and as many members of this cabinet, if not all, has great pride in standing there and saying: "The former NDP government had two sets of books. They aren't telling the people all the truth here; they're hiding things from them." Hogwash. At the end of the day, we had basically off book the stuff on capital, and everything else, when it came to the operational expenses of the government, was accounted for in the budget books. Yes, we had a different account methodology based on what some of the other provinces were doing and we were saying, as a lot of businesses do and as a lot of individuals do —

**Mr Wettlaufer:** Not as businesses do.

**Mr Bisson:** Listen, businesses operate —

**Mr Wettlaufer:** Not as businesses do.

**Mr Bisson:** It's my time, and I'll use it the way I —

**The Acting Chair:** That's right, it's his time.

1750

**Mr Bisson:** When you get your time, you'll be able to do what you want and I'll have to endure it as well.

The point I make is that the government had made a decision that capital expenses were going to be accounted for separately, so that people can see the investment the government of Ontario is making in investing capital dollars into everything from our roads to the reconstruction of our schools to the reconstruction of hospitals, and that was shown separately. The operational side of the books was shown separately from that as well, but at the end in the budget book when you read it, it said, "In total, this is how much money the government brought in, and this is how much money the government spent."

No attempt was ever made by Treasurer Floyd Laughren, Premier Bob Rae or any members of the government under the NDP to try to hide from the people what the actual expenses of the province of Ontario were. This government decides to do it differently. I accept that. That's your choice as a government. You account for it the way you think is right.

I'll just leave it at that and say that basically our government had decided to do it differently. We decided that yes, we were going to invest money on the capital side. We were going to invest in everything from hospitals to roads to schools in regard to building that infrastructure as an investment for the future. I think it was a

good policy, given the economic times we were in. We were in the midst of the deepest recession this province had seen since the Dirty Thirties, and we made a decision to reinvest in Ontario by way of capital. That's one of the mechanisms governments have.

I would say that if Mike Harris had been in government in 1990, he would have had to face the same dilemmas that we did. You know what? At the end, they would have had a deficit too, because the reality is that if we had done nothing as a government, just carried on the fiscal plan the Liberals had left for us, the economy had changed and we would have been faced with an \$8.5-billion deficit no matter what we did.

We chose to spend a little bit better than \$2 billion both between capital and the wage protection fund to protect workers who were losing their jobs by the hundreds of thousands because of the restructuring that was happening in our economy, both the restructuring in terms of the mechanization of our economy and the technologies that are taking away jobs by using more technology within our workplaces, and also because of the restructuring of a multinational economy, which is the reality of where we find ourselves.

For this government to always stand and say, "The 10 lost years, and the Rae government ran up the debt to \$10 billion, \$11 billion at its highest, and it was all their fault," come on, guys, give it a break and give your head a shake a bit. The reality is, yes, we spent an additional \$2 billion in capital and a wage protection plan. That's a decision we made in the 1991 budget. It's a decision I would make again, given that particular time, that basically we invest in our communities in a time of recession. But to try to pin the entire deficit on the back of the NDP is wrong.

The other thing is — and I think I've got about four or five minutes left if I'm watching the clock —

**The Acting Chair:** As a matter of fact, you've got three minutes left.

**Mr Bisson:** Three minutes. In the last three minutes — I'm watching my time very closely — the comments made by the parliamentary assistant in regard to the positions within the Premier's office: He took great pride in saying that when Bob Rae was the Premier, there were 43 people working in the Premier's office, of which only 26 were permanent staff and the rest were seconded staff and we were having all these phantom employees running around the Premier's office.

Two things I say: Yes, our Premier's office, as other cabinet offices have within this government, seconded staff from ministries to work on various projects. That's what happens when you've got an idealistic government, such as ours or yours that's in place, that's trying to make a lot of change: You bring in people in order to manage or to deal with some of your policy initiatives. We had those people.

But the point I make is, when you use the inflated number the parliamentary assistant used from 1994-95, which says \$2.7 million was spent on the Premier's office with 43 staff total, and now you say, "We've got that down to some 32 or 34" or whatever it is, the reality is that you're still spending the same amount of money. If you shed all these positions, what the hell have you done



with the money? The reality is that you have an office to run, there are expenses associated with that and you have to pay the bills.

To somehow say that the previous Premier's office was overspending or the former Premier's office was over-staffed is very misleading. The reality is, if you look at your numbers that you're trying to use, which is the inflated number of \$2.7 million in 1994-95, you are now using, according to your own estimates, \$2.8 million as expenses in the Premier's office and you supposedly have less staff. What have you done? Why are you where you are?

The other point I would make in closing, the last one, is about the expenses of the Premier's office in regard to the move. I don't buy for a second that the Premier's office moved up to the sixth floor of the Whitney building based strictly on what the OIC wanted it to do in regard to — the ORC I should say; that's the problem, we always talk in jargon in this place — that the Ontario Realty Corp forced the Premier to move out of his office.

The reality is that the Premier wanted out of where he was, and he wanted to have his own office complex on the sixth floor of the Whitney Block for some fairly direct reasons. It's a heck of a lot harder to do a protest up there than it is on the second floor of the main Legislative Building. That's what prompted the Premier to move. So let's not start playing games here. The reality is that the Premier made a conscious decision, there's a cost associated with that and the Premier has moved. It's not because the ORC forced him out of his offices. The Premier decided to move. It was his own decision. We know this Premier is not one who takes suggestions well or takes direction from others. I don't believe for a second that the ORC is the one that forced him out. Thank you very much, Chair.

**The Acting Chair:** Right on the numbers.

**Mr Bisson:** Right on the numbers, as always.

**The Acting Chair:** We'll move on to the third party and see what happens.

**Mr Bisson:** Thank you very much. I'd like to make comments again on behalf of the third party.

**The Acting Chair:** My apologies. We'll move on to the governing party. Excuse me.

**Mr Bisson:** Are you trying to say that's where you guys are going to be next time? What is it, from government to third, third to government every time?

**The Acting Chair:** Don't read between the lines on that one. We'll go to the third party. Are there any comments, rather, from from the government party?

**Mr Wettlaufer:** We're still the government party, no matter how you look at it.

**The Acting Chair:** You do have the right of reply before I go on to the government party.

**Mr Clement:** If the government side has no objection, I do have a couple of replies to Mr Bisson.

**Mr Bisson:** No. I was trying to be nice, Tony.

**Mr Clement:** You were very nice.

**Mr Bisson:** I could have been indignant and all that kind of stuff.

**Mr Clement:** I've seen that side of you. Let me thank Mr Bisson for his comments, which were held by him; he obviously believes in them, and he obviously wants to

put forward his point of view, and I thank him for doing so. He raised some very cogent points which I'd like to have the opportunity to add my overlay on as well.

Firstly, Mr Bisson dealt with the issue of accountability and mentioned some issues that are before the House or were mentioned in the House today. I couldn't agree with him more. I think government members, and indeed all members who purport to represent their constituents properly, continually have to struggle to be accountable to them. It is a struggle that never ends. The politician who says, "We are completely accountable and no more accountability is needed," I wouldn't trust that politician. I think more needs to be done, absolutely.

I do take pride in the way we have rearranged the accounts of this province and how we've rearranged the accounts in the Premier's office, because I believe it does achieve more accountability by politicians in terms of their decisions and how it affects the taxpayers. But I think your point is well taken, that we continually have to strive to meet the goal of perfect accountability.

One of the things I work on on behalf of the Premier as his parliamentary assistant is in the area of direct democracy. The honourable member mentioned ways in which our current structure, because of the vicissitudes of our electoral system, first past the post versus proportional representation and so on, does not lead to results that he or others deem to be accurate; in fact, there have been experts in this field as well.

One of the tacks we have taken is to try to increase direct accountability of public policy positions, put that accountability in the hands of the people directly through referendums. I would note for the record Mr Bisson's colleague, Mr Silipo, has been working with me on the Legislative Assembly committee on behalf of his caucus and has produced some excellent ideas on this very subject. I hope I can speak, having dealt with this matter for several months with my caucus —

**Mr Bisson:** That's what being a New Democrat means: democratic.

**Mr Clement:** That's very good. I never really noticed that before. I've been working with my caucus colleagues both on the Legislative Assembly committee and more broadly in the caucus to come up with something that will add to the accountability of the political system as a system for the people of Ontario. So I don't think there's much we can disagree on there.

**Mr Phillips:** Mr Chair, I'm not trying to be rude, but we go till 6 o'clock. I'd like to hear the rest of it, but I wonder if we couldn't —

**The Acting Chair:** I understand that we cannot go beyond 6 o'clock, and if a member has brought this to my attention, I have no choice but to adjourn the meeting. That is my understanding.

**Mr Phillips:** I'd be happy to hear the rest of the response when we get back.

**Mr Bisson:** I'll be back. I want to hear the rest of this.

**The Acting Chair:** It's my understanding some members would have liked to have continued, but I don't have any choice in the matter.

**Mr Bill Grimmer (Muskoka-Georgian Bay):** Mr Bisson is going to be here next week, but I don't think the committee will be. I think we decided at the last

meeting that we would reconvene when the House reconvenes in August. I'm sure Mr Bisson is anxious to be in Toronto.

**Mr Bisson:** That's why my expenses were the seventh-highest.

**Mr Grimmett:** Perhaps at the next meeting we can explore Mr Bisson's estimates.

**Mr Bisson:** No problem.

**Mr Grimmett:** He seems anxious to talk about them.

**Mr Bisson:** Hey, listen, it's called public accountability.

**Mr Phillips:** See you later.

**The Acting Chair:** Have a good day.

*The committee adjourned at 1802.*



## CONTENTS

Wednesday 25 June 1997

**Office of the Premier** ..... E-925  
Mr Tony Clement, parliamentary assistant  
Mrs Lee Allison Howe, assistant deputy minister, communications and corporate services, Cabinet Office

### STANDING COMMITTEE ON ESTIMATES

**Chair / Président:** Kennedy, Gerard (York South / -Sud L)  
**Vice-Chair / Vice-Président:** Bartolucci, Rick (Sudbury L)

Mr Rick Bartolucci (Sudbury L)  
Mr Marcel Beaubien (Lambton PC)  
Mr Gilles Bisson (Cochrane South / -Sud ND)  
Mr Michael A. Brown (Algoma-Manitoulin L)  
Mr John C. Cleary (Cornwall L)  
Mr Ed Doyle (Wentworth East / -Est PC)  
Mr Bill Grimmer (Muskoka-Georgian Bay  
/ Muskoka-Baie-Georgienne PC)  
Mr Morley Kells (Etobicoke-Lakeshore PC)  
Mr Gerard Kennedy (York South / -Sud L)  
Ms Frances Lankin (Beaches-Woodbine ND)  
Mr Trevor Pettit (Hamilton Mountain PC)  
Mr Frank Sheehan (Lincoln PC)  
Mr Bill Vankoughnet (Frontenac-Addington PC)  
Mr Wayne Wettlaufer (Kitchener PC)

**Substitutions present / Membres remplaçants présents:**  
Mr Gerry Phillips (Scarborough-Agincourt L)

**Clerk / Greffière:** Ms Rosemarie Singh

**Staff / Personnel:** Ms Alison Drummond, research officer, Legislative Research Service



# Legislative Assembly of Ontario

First Session, 36<sup>th</sup> Parliament

# Assemblée législative de l'Ontario

Première session, 36<sup>e</sup> législature

## Official Report of Debates (Hansard)

Tuesday 19 August 1997

## Journal des débats (Hansard)

Mardi 19 août 1997

**Standing committee on  
estimates**

Office of the Premier

**Comité permanent des  
budgets des dépenses**

Cabinet du Premier ministre



Chair: Gerard Kennedy  
Clerk: Rosemarie Singh

Président : Gerard Kennedy  
Greffière : Rosemarie Singh



### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Tuesday 19 August 1997

Mardi 19 août 1997

*The committee met at 1534 in committee room 2.*

## OFFICE OF THE PREMIER

**The Vice-Chair (Mr Rick Bartolucci):** Welcome, everyone. It's good to see all of you again. Those of you in the press corps and in the gallery, thanks very much for your attendance. We welcome you all back.

We'll get right into it. The parliamentary assistant had just begun his right of reply. He has 28 minutes left. We'll turn the floor over to the parliamentary assistant, Mr Clement.

**Mr Gilles Bisson (Cochrane South):** Dispense.

**The Vice-Chair:** Too easy.

**Mr Tony Clement (Brampton South):** Thanks for that vote of confidence from Mr Bisson. As members will recall from the last meeting, we had been in the process of discussing the accounts as they relate to the Premier's office.

Just by way of explanation for those who were not on the committee last time, the fiscal picture for those expenses were such that in the 1995-96 year there was a decrease of 3.3% in expenditures relating to the Premier's office; in 1996-97 the decrease was a further 2.4%; and in the 1997-98 estimates there is no increase in spending for the Office of the Premier. So we are continuing to lead by example.

We heard from the Premier yesterday about how Ontario is leading the country in job creation, with 176,000 net new private sector jobs since March of this year. If we in government can continue to lead by example, I'm absolutely convinced that the private sector in Ontario will be able to do its bit to restore jobs and opportunity to this province.

When last we met, I was in the midst of discussing Mr Bisson's well-considered remarks on some of his caucus's concerns relating to the estimates of the Premier's office. I was in the commencement of full rhetorical flight, agreeing with him that we as parliamentarians have to think of new ways almost continuously to make ourselves as accountable as possible to the people in our constituencies and in Ontario who elected us to do something that is extremely important, a trust entrusted to us; and that of the accountability mechanisms that perhaps were the start of our democracy 200 years ago, some are still useful but some could be improved upon.

One of the things I do to earn my keep in government is to be responsible for putting forward some proposals that would lead to greater direct democracy in the province. I wanted to inform Mr Bisson, if he was not aware, that another committee of the Legislature, the Legislative Assembly committee, of which I was a member — and there were a number of colleagues from the NDP caucus, including Mr Silipo and Mr Wildman. I thought all of us together had a very positive few months together. It was a few weeks longer than we had all expected, because of Mrs Pupatello, but aside from that, it was a very worthwhile few months hearing from the public in terms of what their expectations were in terms of direct democracy and putting together what I think was an excellent report.

It included some dissension from the NDP caucus and Liberal caucus which was incorporated into the report, but also included a lot of excellent input from the caucuses themselves and also from the public on how to rearrange our democracy in the sense of not detracting from the parliamentary nature of our responsibilities and our accountabilities, but to build on that and to ensure that accountability is more directly felt on issues of particular concern to citizens, looking at whether there are ways, through referendums and other mechanisms, to ensure that citizens, when they desire to have a direct say, have that opportunity on provincial public policy. One can say we are making real progress, if I can broaden Mr Bisson's concerns, in the area of accountability. I think there's going to be good news for those who believe the process has to be made not only more accountable, but by virtue of making it more accountable, more credible and more legitimate.

Mr Bisson raised in the third place the public appointments secretariat. He raised a concern, if I read Hansard correctly — refresh my memory — that there are individuals who are members of the Premier's office staff who are involved in the public appointments secretariat.

I wanted to assure Mr Bisson that that was the same as in the previous government. That's a standard procedure, that some input is allowable, collected by the Premier's office staff, on who the most appropriate persons are to be involved in public appointments. Of course, some of those are reviewable, as the member well knows, in the agencies, boards and commissions committee. He made reference way back when we last met that apparently there are sometimes Conservatives appointed through this process — as are Liberals and New Democrats and in fact citizens



who do not evince a particular political point of view. It probably is quite reflective of society. If and when it is not, we certainly have an accountable, transparent committee process where those points of view can be tested. I wanted to assure him for the record that it is the same kind of process as was found in previous governments.

1540

**Mr Bisson:** It's not the same process. There was a different process under the NDP government than there is now under the Tory government. You can't say it's the same. The public appointments secretariat had a much more open process than the government presently has. But I'll allow you to go on.

**Mr Clement:** Thanks, Mr Bisson. Maybe we could have quite a vibrant discussion about that in the House or somewhere else, about the merits or demerits of a particular process. Perhaps that's another area where there could be room for improvement in governance generally.

Mr Bisson also mentioned the necessity to clean our own house first. I think that's the phraseology he used, and I think quite aptly. I was trying to get that point of view across, that I really believe it's very important for servants of the public, as we are, to lead by example.

For instance, this House and this government have been attempting to lead by example in a number of areas. We cut the number of elected MPPs for the next Legislature by 20%. Obviously, we've felt the brunt of keeping costs under control with our own MPP budgets. MPPs' salaries lost their tax-free allowance. Also, we radically changed the pension plan to ensure that it was seen as responsible in the private sector and private life and was not seen, to use the phrase that has been used by others who critique the process, as a gold-plated plan.

He makes a very good point, that we've got to lead by example. Our government has endeavoured to do that. One sees that approach as well in our own estimates for the Premier's office. In the first two years there were certainly reductions, and we've basically flatlined it for this year and kept it at a level which is commensurate with the responsibilities undertaken in that office but at the same time are not over the top. I think that's all well and good.

At the same time, of course, we've had what I would call an increase in workload. Those who criticize the government characterize it as moving too far, too fast. But in terms of the number of sessional days, they've all been on the increase, and that has meant you've got fewer staff being involved in public policy decisions to a greater degree, so that's more time for less relative money.

In terms of staffing issues, we discussed at the previous meeting how — I believe Mr Bisson and I have an honest disagreement about the characterization of the use of contracted staff under the previous government. We have sought to consolidate the 20 contracted positions allocated in different budgets in different ministries under the previous government, because they were in fact working for the Premier, and released an amount which we felt meant there was a fair, open and transparent process on the Premier's office's true costs.

That process added an addition \$763,057 to the transparent, accountable costs to the Premier's office, making it an initial total of \$2.764 million, but we felt that was a more accurate reflection of the actual resources that were being used by the Premier and by his senior staff, so you didn't have what a less scrupulous government would use as a kind of shell game to ramp up the resources being used by the Premier and his office but not having that accountability.

As a result of that and as a result of some of the changes we made in reducing the staff, we have reduced some of the operating expenses, but I wanted to remind members that there are certain statutory benefits which must continue to be paid. Those have restricted our ability to reduce even further, but we certainly are meeting all our statutory obligations.

There was a suggestion by Mr Bisson that the Premier's office had moved up a couple floors in the Whitney Block to avoid protests. I wanted to assure Mr Bisson and this committee that nothing could be further from the truth in terms of the motive behind the move of the Premier's office up to the sixth floor. Certainly those who disagree with the agenda of this government have had no difficulty finding the Premier and in fact took the liberty of protesting in front of his house at one point, so I don't think that's a real issue.

The real issue here is, is there a way to consolidate the business of government in office space that in both the medium and long run means less cost to the taxpayer? As a result of some of the changes we were able to do, that has been the case. We are quite confident that in terms of the moves that are going to be made because we are shifting people into space that has been made available in the Whitney Block and out of rental space in other buildings, the net impact is going to be very favourable to the taxpayers. The numbers I used in the last meeting are a matter of public record. They show very clearly that by doing this move it certainly is a case of spending a little money up front in terms of the moving costs, but saving very quickly in terms of the long-term lease costs what I consider quite a significant amount on behalf of the taxpayers of Ontario.

I would characterize the moving issue, if you want to call it that, around those terms. It's simply a matter of continually reviewing what the government is spending its money on on behalf of the taxpayers of Ontario, continually trying to find ways to improve those expenditures.

They talk a lot in the private sector about continuous improvement. There's a lot to be said in government for doing precisely the same thing. That means not only the big issues. We are obligated in the Legislature to talk a lot about the \$100 million here and the \$500,000 there, but a lot of what we can do is the cumulative impact of some of the smaller ways we can spend money in a more effective way.

As a result, we're sending messages not only to ourselves as politicians and leading by example to the public but, if I dare say so, we're sending a message to the bureaucracy that is accountable to us as the Legislature that

this is the way we're managing now. If we can find ways to do better for less, that impacts on the psyche of the bureaucracy, which sometimes, if I can be so bold, needs that reminder —

**Mr Bisson:** Did you say "sake"?

**Mr Clement:** There's no rice wine here. I want honourable members to know that.

I think it can send the proper signal to the civil service, to the public service, that this is the way one has to conduct oneself in today's day and age. That will have not only the short-term impact of \$5,000 saved here or \$10,000 saved there, but if we can change the psychology of government by finding these ways to do better for less, I think we've done ourselves a great service for the taxpayers of Ontario.

That is why one has to look at the larger picture in terms of the office moves and what have you, rather than just the straight moving costs in that particular situation.

I'd like to finish up by saying that the Premier's office is a relatively small item in terms of total cost of operations in the government, but you are quite within your rights, obviously, to look at the small items as well as the large items to ensure that we are living up to our rhetoric as a government and trying to do better for less in the heart of the Premier's office as well as in some other offices that have been given more attention in the past.

I hope that's been helpful to you to understand why we're doing what we're doing and how it impacts on the Premier as well as other branches of government.

1550

**The Vice-Chair:** That leaves us with 48 minutes. If we divide it by three parties, that's 16 minutes each. We'll start with the official opposition.

**Mr Gerry Phillips (Scarborough-Agincourt):** I'd like to talk to the parliamentary assistant and follow up on the conversation we had at our last meeting.

I'm very interested in the procedures and processes the Premier's office follows. As you know, I'm particularly interested because I'm having real difficulty in understanding how the Premier's office dealt with the Ipperwash affair. I want to use this opportunity to see if I can get some more information on how things occurred at Ipperwash and how they could have occurred at Ipperwash.

Mr Clement, you said in our last meeting that based on your observations, depending on the meeting, if it's culminating in a public policy judgement, certainly notes are kept. "Public policy judgement" means something that is going to cabinet or something that is there prior to legislation being contemplated by the cabinet.

Meetings took place on September 5 and 6, and the Premier's executive assistant was at those meetings. Immediately after, that issue went to cabinet. Based on your experience of how things work, I would have expected that in the Premier's office the executive assistant would have kept some notes over a month of meetings, because these issues did go to cabinet.

The Premier has told us that there were no notes, there were no files, because the Premier's office had no in-

volvement in the issue. If this was going to cabinet, based on your experience and what you said at the previous meeting, wouldn't the executive assistant have kept notes in a situation like this, where the cabinet was making the decision within hours, if not within minutes, after this meeting ended?

**Mr Clement:** What I tried to do at the previous meeting was talk based on my experience as parliamentary assistant and draw a picture, based on public policy issues, of how judgements are made and the procedure of how those decisions are made and then where they go from there. Mr Phillips is quite right that if this were a public policy judgement issue, certainly notes or minutes would have been kept and those notes or minutes would form the basis of the discussion that would occur at cabinet — which of course is a confidential exercise in our parliamentary democracy, has been for hundreds of years, so no further comment can be made on that.

Without opining on the particular circumstances Mr Phillips has raised — Lee Allison Howe, who is sitting beside me here, is the assistant deputy minister. I tried to draw a distinction between processes that involve public policy judgements and what could be described as issues management situations. I confess, and I apologize, that my tenure as parliamentary assistant has been more involved with public policy issues rather than issues management issues. Issues management issues are things I know somewhat less about, in terms of how they are done and what processes they're following.

If what you're driving at is to draw a distinction between public policy issues and the processes there and issues management issues, it might be an appropriate time to draw that distinction again at these committee hearings.

**Mr Phillips:** I realize you're in a tough spot, but you're here and you're representing the Premier. If the Premier were here, I'd say to him directly: "I do not believe you that for one month your executive assistant went to meetings," and this particular meeting went on for more than two hours, "involving the most sensitive issue that faced the government, that perhaps still faces it, the first time ever a first nation person was killed in Ontario — your executive assistant attended those meetings" — I use your language that "certainly notes are kept."

I would say to him directly, "It is too incredible to believe your executive assistant would never have written a single, solitary note during all that time, not even summarizing the direction you gave her," because it's clear from others' notes that she was talking to the Premier and the Premier was giving her directions for those meetings. It's clear she came to that meeting on September 6 and told them, "I talked last night with the Premier." These notes put in quotation marks what he said. This says, "D. Hutton, Premier last night, OPP only" — and this has quotation marks — "Out of park only — nothing else."

What I'm trying to get at is the operation of the Premier's office. Here the Premier is giving, I can only interpret, his direction as to what he wants his representative saying at that meeting. "I talked last night with the Pre-



mier: 'Out of park only — nothing else.'" That last is in quotation marks.

Would it be usual that the executive assistant would never write down, over a one-month period, any of the directions the Premier gave to take to those meetings, nor any of the discussion or conclusions out of those meetings?

As I said, I apologize. I would much prefer the Premier to be here, because I'd like him to answer that directly. Does anybody here believe that any Premier's senior executive assistant would go to those meetings for one month, day after day after day after day, and never write down a single note? I don't. Help me understand how that could possibly happen in the Premier's office.

**Mr Clement:** I'll endeavour to do so. I guess I'm not making myself clear. What I said at our last meeting was that if there's a public policy issue which tends to lead to either a regulation or a piece of legislation, formal minutes are kept, as I think Mr Phillips well knows. Those formal minutes form the basis of discussion at cabinet. That's what the quotation you cited from our last meeting referred to, when I was describing how those issues get to cabinet.

Without commenting directly on some of the issues Mr Phillips has raised — which I think were very ably dealt with by the Premier, if I may say so, in the Legislature yesterday. Mr Phillips, you have to decide whether you think Ipperwash was an issue that related to a regulation or a piece of legislation, or whether it related to an issue of issue management. If it related to an issue of issue management, the rules are, based on my observation, somewhat different, that there need not be a cabinet minute; there need not be formal minutes taken; there need not be the form of minute-taking that implies a cabinet discussion leading to a piece of legislation.

If your conclusion is, sir, that it was an issues management issue, I think you can also fairly conclude that there may be circumstances where minutes are not taken.

1600

**Mr Phillips:** I conclude that this was an issue going to cabinet within minutes of the conclusion of this meeting, and I conclude that it is normal that for an issue going to cabinet, the Premier's staff would provide him with some advice on the issue going to cabinet, and I conclude that the executive assistant would leave that meeting, summarize for the Premier what took place and provide him advice on the issue they knew was going to cabinet. The government made a policy decision not to negotiate with the first nations.

I will say, and I raised it yesterday, that the OPP had a detailed plan. This is only a part of it. They had three teams set up to negotiate on a rotating basis, teams 1 and 2, and then team 3 was being held in reserve to relieve the teams if required. It says here, "ie, rest days, long-term backup." That means the expectation by the OPP was that they were going to be in a protracted negotiation. The next step arising from the September 5 meeting was no negotiations.

Again, I'm sorry to be raising it with you. I would have a strong preference for raising it with the Premier. But I can't understand the process, because the Premier in his remarks yesterday said he was under the understanding that their decision was that negotiations were to take place, but it was the OPP that made the decision for no negotiations.

The reason I raise this — help me along in a comment you made the other day: "The Premier is not only the first among equals, shall I say, as the Premier and the head of the executive council; he is also the party leader, he is also the leader of the parliamentary caucus he; is also the political leader of the government of Ontario." In other meetings it's typical or appropriate that you have a structure.

The Premier's executive assistant participated in that decision: no negotiations. That decision came out of that September 5 meeting. This is September 6, yet the Premier yesterday said, "Gee, that was a decision made not by the government but by the OPP." The reason I raise this is, how could it be that a decision is taken by this interministerial group with representation from cabinet office, from the Premier's office, from the Solicitor General and from the Attorney General for no negotiations — that was the decision taken by that group. Cabinet met afterwards and I assume was told about that decision. How could it be that the Premier yesterday said that decision was not taken by the interministerial group but by the OPP?

**Mr Clement:** Let me say a couple things and hopefully help shed some light for Mr Phillips. First of all, I want to put on the record that I have no knowledge of whether cabinet did in fact discuss that issue.

Second, as to my comment last time about the Premier and his various roles, the context for that discussion was that depending upon what role the Premier is playing, there are different processes at work which reflect his different role. For instance, the Premier doesn't chair cabinet meetings, but he chairs the policy and priorities board meetings, so as chair of that board of cabinet he is undertaking a certain role. The Premier obviously also is the party leader, and as the duly elected leader of the party — in the broadest franchise, I might add, in Ontario — he has a different role, and there are different processes at work for Mike Harris, party leader.

Finally, he also plays a role responsible to caucus. We had a caucus meeting today. The Premier doesn't chair caucus, but he spends a lot of time deliberating with his caucus colleagues on issues. Caucus is at times a deliberative body, in my view. I can assure you that no formal notes are taken.

It depends on what role the Premier is playing as to what the processes are for that particular role.

**The Vice-Chair:** Thanks, Mr Clement. We're going to have to cut short the answer, as your time is up, Mr Phillips.

**Mr Phillips:** At the last meeting they said they would make available a document. I haven't seen that yet.

**Mrs Lee Allison Howe:** I didn't know it was a formal request, but we will submit it to your office. The procedures guide?

**Mr Phillips:** Yes.

**Mrs Howe:** Certainly we can make that available.

**Mr Clement:** My understanding is that they were looking around for it and they have found something. They want to ascertain today whether it was a formal request.

**Mr Phillips:** Dust it off.

**Mr Clement:** It's got a few layers of dust on it.

**The Vice-Chair:** Could we have that as quickly as possible? It was requested at the last meeting?

**Mrs Howe:** It's basically the Management Board guidelines.

**The Vice-Chair:** Mr Bisson, you have 16 minutes.

**Mr Bisson:** Sixteen whole minutes.

I have a question about a number of staff people and what they do in the Office of the Premier. I wonder if you can help me with that. The first one is Ed Arundell. What did he do in the Office of the Premier?

**Mr Clement:** He was the director of communications.

**Mr Bisson:** How long was he there?

**Mr Clement:** Can I refer this? Mrs Howe, do you remember?

**Mrs Howe:** It was a period of about a year.

**Mr Bisson:** One who's still there is Guy — I can't pronounce it — *Giorno*. What is his position?

**Mrs Howe:** I believe the proper title is director of policy.

**Mr Bisson:** What does Jane Hart do?

**Mrs Howe:** Jane Hart is assistant to the principal secretary.

**Mr Bisson:** What did Scott Munnoch do?

**Mrs Howe:** Scott was the manager of tour and scheduling.

**Mr Bisson:** A director of policy, going back to — say it again?

**Mr Clement:** Guy *Giorno*. Just think of *buon giorno*.

**Mr Bisson:** I don't want to mispronounce it, because I know that is not the type of thing you should do.

As a director of policy, he would be mostly working inside the Office of the Premier. Most of his work would be done in the office?

**Mr Clement:** Are you asking physically?

**Mr Bisson:** Yes, physically.

**Mr Clement:** Sure. Well, that's where he is on a day-to-day basis, but there might be a premiers' conference or what have you where his policy needs are required there; there might be some travel involved. But in terms of where he on an average day walks to work, it would be the Whitney Block.

**Mr Bisson:** Would he sometimes be required to set up meetings for bringing people together to discuss issues, bringing large groups of people together, anything like that?

**Mr Clement:** Are you referring to stakeholder groups and things like that?

**Mr Bisson:** Yes.

**Mr Clement:** It's possible. In his job, because it involves policy and he's the head of that department, there's a fair amount of latitude. I'll give you that, Mr Bisson, in

terms of how he executes his job. That could very well be a function of his job.

**Mr Bisson:** What's the policy within the Premier's office when it comes to employees in the Premier's office and their expenses: entertainment expenses, travelling expenses? What's the policy? How does that work there?

**Mrs Howe:** The staff of the Premier's office, like other employees, are required to submit their expense account forms and they have to —

**Mr Bisson:** I understand that part. Is there a requirement that if you're going to spend over a certain amount you've got to get clearance from somebody? Are there ceilings on how much people can spend, anything like that?

**Mrs Howe:** My staff was reminding me that they must follow the Management Board guidelines for hospitality and expenses, and they would have to seek approval for extraordinary expenses. I'm not sure if there's one specific one you're looking at.

**Mr Bisson:** I'm curious about a particular one for Scott Munnoch. I look at his expenses in terms of what's reported in information we got through freedom of information. What struck me was the size of some of this individual's expense claims. As a former parliamentary assistant myself, I know there are times when you go with somebody to a meeting and you end up picking up the cheque for \$60, \$80, \$100, or \$150 sometimes. But there are some fairly large ones here. One in particular jumps out from the paper. I think the number is \$2,187 for one such expense. I'm wondering if we can get any detail on what exactly would have been charged for that kind of expense.

1610

**Mr Clement:** Let me say first of all in terms of the particular request that we'd be happy to take that back and get you and your caucus and this committee some details.

I can say generally, though, that Mr Munnoch attended with the Premier on pretty well every international travel trip that occurred. As you know, sometimes costs in other countries we would deem to be way out of whack, but in those countries they are considered normal. As part of the Team Canada missions, for instance, I know Mr Munnoch was directly involved with the Premier in arranging and being a part of his arrangements with Team Canada and other such ventures.

**Mr Bisson:** I'd like to get details for voucher 4290. It would have been in the period after November 1996, somewhere around there. It could be, like you say, quite okay, but it just struck me when I looked at the amount that if I had been the minister or the parliamentary assistant and my staff brought me a bill like that, I'd choke. That's the first thing I'd do, then I'd probably put my hands around their neck.

I know the Premier's office at times will hire lawyers into the Office of the Premier or into a cabinet minister's office if something is going on. Is it the practice to pay their law society fees?

**Mrs Howe:** The policy of the Ontario government is to pay the law society fees for those who are providing legal



advice to the government. That goes across the board for all ministries.

**Mr Bisson:** In the case of Jane Hart, she's an assistant to the principal secretary. That's not a position where you're required to be a lawyer, is it?

**Mrs Howe:** I believe Jane Hart's position is an executive assistant type of position. She reviews materials for the principal secretary. You'd have to ask Mr Lindsay exactly what legal services she provides for him, but that was authorized through the Premier's office.

**Mr Bisson:** I'd be curious about that. I accept and agree that in a case where an employee, either working for the Premier or for the ministry — if they're utilizing their legal expertise on behalf of their employer, of course they should be paying for their professional fees. But I was wondering what an executive assistant — I've had executive assistants in the past working in government. Some of them have been lawyers, some not. In the case of executive assistants, I've never paid their professional fees. Mind you, I wasn't the Premier of Ontario; I was the parliamentary assistant to northern development, a bit of a difference.

The point is, I just wonder why that is, whether indeed she is giving legal advice, and if so, what kind of advice she's giving. If we can get that kind of information that would be of use as well.

Another thing is that I notice in a lot of the expenses, not for everybody but for certain individuals, that parking is paid. I always thought parking was provided here at the Macdonald Block for employees at the cabinet level. For employees in the Premier's office or the minister's office, normally parking is available in the lot. Who normally pays for that?

**Mrs Howe:** I'm not certain what item you're looking at, but if it's offsite parking, parking has always been paid for when people are attending meetings outside the office.

**Mr Bisson:** No argument there at all, but in the case of a couple of people it almost looks like their monthly parking fees are being paid in and about the Legislature somewhere. I just assume that if you're working for the Premier or you're working for a cabinet minister, there's parking provided or you TTC it to work or whatever. What's the policy when it comes to parking?

**Mrs Howe:** We have some spots that have been provided, and there are others that people are required to pay.

**Mr Bisson:** What does Dee Dee Heywood do? What is her position?

**Mr Clement:** She's in the scheduling and tour department.

**Mr Bisson:** I notice there are a lot of parking charges, but it's not like \$10 and \$5 and \$20; it's a recurring number every month. It's almost as if we're paying the parking. I was just wondering if that's indeed what's going on. Can we get a bit of information on that as well?

What does Judith Parry do?

**Mrs Howe:** Judy Parry is special assistant to the principal secretary. She works for David Lindsay.

**Mr Bisson:** Can I have the same information in regard to her parking? There seem to be a lot of parking charges; \$150 recurring all the way through.

What does Christine Bujold do?

**Mrs Howe:** Christine works for the media unit here, as a media assistant.

**Mr Bisson:** I know it's picayune, but I come back to the point that the parliamentary assistant makes, which is that we need to watch every dollar we spend and we've got to lead by example. In some cases we provide parking, pay for it, and I understand that. In other cases, some employees are not covered in parking. I'm just wondering if special arrangements have been made or if it's because that's the way you have to pay for this spot. That's what I'm looking for in particular, if you can give me that information.

I've got a number of other things. How much time do I have left?

**The Vice-Chair:** You have another four minutes.

**Mr Bisson:** In a case where you're an employee, hold a fairly responsible position as a staff member for the Premier's office, is it normal that you pay the moving expenses, or is that just negotiated? Are there any rules about that?

**Mrs Howe:** There are rules concerning relocation expenses. If an employee is attracted from another community, as part of the attraction to move the person to another city, the government generally pays for relocation, up to a certain maximum, depending on the cost of the move.

**Mr Bisson:** Can you provide us with what the policy is and the maximums?

**Mrs Howe:** Certainly. We can do that for you.

**Mr Bisson:** That'll be all for now.

**The Vice-Chair:** To summarize, Mr Bisson, it's to make sure the committee is supplied with the following: details on voucher 4290; parking for Dee Dee Heywood, Judith Parry, Christine Bujold, the rationale and a breakdown of the amounts; and the policy and maximum with regard to the rules for relocation.

**Mr Bisson:** Can I also ask for two other vouchers for the same individual? I asked for 4290. Can you give me 3062 and 3474?

**The Vice-Chair:** That's 3062 and 3474. Anything else?

**Mr Bisson:** No, that's it for now.

**The Vice-Chair:** We'll move to the government side.

**Mr Wayne Wettlaufer (Kitchener):** Mr Clement, over the course of the last couple of months I've had people make allegations in my office that the Premier's office staff size has increased. This is rather coincident in that we've had some Liberal and NDP MPPs in our area making guest appearances. It appears that some allegations have been made to that effect by these individuals.

You made reference to the fact that there was a \$2.7-million budget for the Premier's staff under the previous Premier. The size of the Premier's budget for Premier's staff at present is how much?

**Mr Clement:** For 1997-98, the salaries and wages are \$2.27 million.

**Mr Wettlaufer:** The actual staffing levels in the Premier's office under Bob Rae, the previous Premier, without contracted employees: Do you have the actual numbers there?

**Mr Clement:** I can give you the average staff complement.

**Mr Wettlaufer:** That's fine.

**Mr Clement:** Under Premier Rae it was 43.

**Mr Wettlaufer:** Was that without contract employees or with contract employees?

**Mr Clement:** I think that was a consolidated number, to be fair. The average staff complement for us has been 33.

Another interesting point, if I may say so, is that in terms of salaries in 1992-93 the Office of the Premier had five staff members earning over \$100,000 a year, and now there's only one. I could guess who that person is, but there's only one staff member in excess of \$100,000. We've gone from five to one in terms of over \$100,000 annual salary.

**Mr Wettlaufer:** I assume it's not you.

**Mr Clement:** Oh, no. You have to be non-elected to earn that kind of money.

1620

**Mr Wettlaufer:** Have we increased our staffing at all over the course of the last two years in the Premier's office?

**Mr Clement:** The answer to that is a qualified no. The reason I qualify that is, as I said before, that the way we treat some of the contract employees has changed. We've tried to put all the persons who had previously been contracted by other ministries but worked in the Premier's office into the Premier's office staff budget, to be fair and accountable and transparent. Other than that accounting change, there has been no increase from 1995-96 to 1996-97.

It looks here like we went up from 30 to 32 from 1996 to 1997, but that was filling vacancies. As I say, the average was 33, once you took into account all the vacancies being filled. It might have been just where they counted.

**Mr Wettlaufer:** And there's no anticipation of a dramatic increase in the number of employees, perhaps one or two and that would be about it, maximum?

**Mr Clement:** That's correct, sir.

**Mr Wettlaufer:** So what we're looking at in actual fact is a reduction of 10 employees in the Premier's staff from the previous government to this government, which is a reduction of about 25%.

**Mr Clement:** I think it's quite accurate to say it that way.

**Mr Wettlaufer:** I can't think of anything else right now.

**The Vice-Chair:** Anyone else? Okay, do we have concurrence to move to the vote?

**Mr Bisson:** Hang on. I still have questions, Mr Chair. I thought we were going in rotation.

**The Vice-Chair:** We have three minutes left. We'll go through again, I guess. If we divide it evenly, it's one minute per party, starting with the official opposition.

**Mr Bisson:** I left myself about four minutes last time because there were a few things I wanted to ask. I didn't realize. As long as I get a minute, I'll do it quickly.

**The Vice-Chair:** Anything from the official opposition? No? Mr Bisson, that means you now have two minutes.

**Mr Bisson:** Very good. I have a question. David Lindsay is still the principal secretary, right?

**Mr Clement:** Correct, sir.

**Mr Bisson:** I'm looking at the annual salary range for staff within the Premier's office. It says for David Lindsay between \$143,000 and \$160,000 a year. I believe that's more money than former Premier Rae made, or most deputy ministers in the government of Ontario.

**Mr Clement:** I think that's the deputy minister range, Mr Bisson.

**Mr Bisson:** Under the revised pay system you guys gave cabinet ministers and deputy ministers. In actual fact, the principal secretary makes how much? I've got a range. Can you peg it down a bit?

**Mr Clement:** I'm sorry, I missed the last part.

**Mr Bisson:** What's David Lindsay's annual wage?

**Mr Clement:** We don't know. We just know salary ranges.

**Mr Bisson:** So it is between \$143,000 and \$160,000. Do you find that a bit excessive?

**Mr Clement:** If I can explain the reason I'm not giving the actual salary, that is confidential information, confidential between the employee and the employer in this case. That's a standard practice throughout government, that you don't give the actual salary, just the range. I want to assure you that this is absolutely within the deputy minister range.

You asked the question related to some of the changes we made, which of course eliminated completely our tax-free allowance, which I'm in agreement with —

**Mr Bisson:** Here's my question, before we run out of time.

**The Vice-Chair:** Mr Bisson, you had your four minutes from before, plus another two minutes, so you now have five minutes left.

**Mr Bisson:** I have five minutes left? I didn't realize.

Here's the question I'm getting at. It appears that your directors within the Premier's office make a salary range between \$89,000 and \$111,000 and that the principal secretary makes between \$143,000 and \$160,000 a year. What I would like and request for this committee is a comparison to what directors were getting under the Rae government in his office and what the principal secretary got at the same time.

**Mrs Howe:** If I may, I believe the records for the previous government have been sealed. We don't have access to those any longer.

**Mr Bisson:** I can provide them to you if you want.

**Mrs Howe:** Okay, provide them.

**Mr Bisson:** I would be glad to compare numbers.

**Mr Clement:** It looks like you can compare the numbers better than we can, Mr Bisson.

**Mr Bisson:** I will do that in the House.



Don't you find that excessive, though? It's bewildering, because under the last government, the range of salary for the Premier wasn't anywhere near what the principal secretary gets now. Is it not an increase over what was there before?

**Mr Clement:** I tried to remind you that there was a notable tax-free portion of salaries.

**Mr Bisson:** Not for staff.

**Mr Clement:** No, but I'm talking about the Premier's salary. There was a tax-free component.

**Mr Bisson:** Even with the tax-free part. The point I'm making is if you added the tax-free and the Premier's stipend — the Premier's wage he gets as Premier and his member's wages as an MPP — this individual as a principal secretary would make quite a bit more than the former Premier was making. It just strikes me as a very large increase in pay to staff principal secretaries, at least for the Premier. I'd hate to see what principal secretaries are getting for cabinet ministers.

**Mr Clement:** I'm trying to recall back. As you know, the government of Ontario did do a revision on deputy ministers' salary ranges.

**Mr Bisson:** They went up.

**Mr Clement:** They're pegged to market indicators now, so if they are effective and productive, there's a possibility of an upward tick in that. If that's what you're referring to, some of the circumstances involving deputy ministers' salaries have changed. That's fair to say. But if your question is, is it fair, the way I would answer that is to say it is in complete conformity with the details that have been shared with the Legislature.

**Mr Bisson:** Would the government be interested in providing the same kind of treatment to the employees of the various ministries in the province that principal secretaries and directors and cabinet ministers and deputy ministers received? Would that be fair?

**Mr Clement:** I personally would love to have a situation where all employees of the government of Ontario and therefore the taxpayers of Ontario are paid according to productivity, but apparently we've got a collective agreement which militates against that.

**Mr Bisson:** I'm sure if you sat down with OPSEU they would be more than glad to accept that kind of offer from the government. If you were to give the employees of this government the same treatment that deputy ministers got, that ministers got, along with political staff, I think most civil servants would be happy.

**Mr Clement:** I'll pass that one along.

**Mr Bisson:** I will too. I'll pass it along to Leah.

**The Vice-Chair:** Mr Wettlaufer, there's one minute left in the time. Would you like to use it?

**Mr Wettlaufer:** Yes, please.

I find it very interesting that Mr Bisson is questioning the amount of salary etc that individuals are making. I think it should be stated that we feel in our government that people should be paid the appropriate amount. They should be paid what they are worth. If Mr Lindsay happens to have a salary range of \$143,000 to \$160,000, then so be it; he's worth it.

I also find it passing strange that this man is from the same party many of whose members exceeded their global budgets this year. I wonder if he would allow us to scrutinize their figures as much as he is expecting to scrutinize the Premier's.

**Mr Bisson:** The answer is most certainly. The rules of the Legislature, Wayne, are that if you overspend it comes out of your pocket.

**The Vice-Chair:** Except, Mr Bisson and Mr Wettlaufer, we're here to analyse the Premier's office and not any member's. Is there a question directly, or not?

**Mr Wettlaufer:** No, that will be fine.

**The Vice-Chair:** Thanks very much, Mr Wettlaufer. We'll now move to the vote.

Shall vote 2401 carry? All in favour say "aye." Opposed? Carried.

Shall the estimates of the Office of the Premier carry? All in favour say "aye." Opposed? Carried.

Finally, shall I report the estimates of the Office of the Premier to the House? All in favour say "aye." All opposed? Carried.

I would suggest that the meeting is over. We will reconvene tomorrow.

*The committee adjourned at 1630.*





## CONTENTS

Tuesday 19 August 1997

**Office of the Premier** ..... E-939

Mr Tony Clement, parliamentary assistant

Mrs Lee Allison Howe, assistant deputy minister, corporate services, Cabinet Office

### STANDING COMMITTEE ON ESTIMATES

#### **Chair / Président**

Gerard Kennedy (York South / -Sud L)

#### **Vice-Chair / Vice-Président**

Rick Bartolucci (Sudbury L)

Mr Rick Bartolucci (Sudbury L)

Mr Marcel Beaubien (Lambton PC)

Mr Gilles Bisson (Cochrane South / -Sud ND)

Mr Michael A. Brown (Algoma-Manitoulin L)

Mr John C. Cleary (Cornwall L)

Mr Ed Doyle (Wentworth East / -Est PC)

Mr Bill Grimmett (Muskoka-Georgian Bay / Muskoka-Baie-Georgienne PC)

Mr Morley Kells (Etobicoke-Lakeshore PC)

Mr Gerard Kennedy (York South / -Sud L)

Ms Frances Lankin (Beaches-Woodbine ND)

Mr Trevor Pettit (Hamilton Mountain PC)

Mr Frank Sheehan (Lincoln PC)

Mr Bill Vankoughnet (Frontenac-Addington PC)

Mr Wayne Wettlaufer (Kitchener PC)

#### **Substitutions / Membres remplaçants**

Mr Gary L. Leadston (Kitchener-Wilmot PC)

#### **Also taking part / Autres participants et participantes**

Mr Gerry Phillips (Scarborough-Agincourt L)

#### **Clerk / Greffière**

Ms Rosemarie Singh

#### **Staff / Personnel**

Ms Alison Drummond, research officer, Legislative Research Service

CAZ ON  
XC 26  
-E77



E-41

E-41

ISSN 1181-6465

## **Legislative Assembly of Ontario**

First Session, 36<sup>th</sup> Parliament

## **Assemblée législative de l'Ontario**

Première session, 36<sup>e</sup> législature

# **Official Report of Debates (Hansard)**

**Wednesday 20 August 1997**

# **Journal des débats (Hansard)**

**Mercredi 20 août 1997**

**Standing committee on  
estimates**

**Ministry of Natural Resources**

**Comité permanent des  
budgets des dépenses**

**Ministère des Richesses naturelles**



Chair: Gerard Kennedy  
Clerk: Rosemarie Singh

Président : Gerard Kennedy  
Greffière : Rosemarie Singh



### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Wednesday 20 August 1997

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mercredi 20 août 1997

*The committee met at 1550 in committee room 2.*

## MINISTRY OF NATURAL RESOURCES

**The Vice-Chair (Mr Rick Bartolucci):** I'd like to call the meeting to order and to welcome everyone to the standing committee on estimates.

Before we begin the study of the Ministry of Natural Resources and because we have several people in the audience — and, Minister, you might want to know the Premier didn't even bring this many staff with him, so we congratulate you on bringing most of the MNR staff with you — I'd like to introduce the people from the Legislative Assembly who do so much good work and never get recognized. The clerk is Rosemarie Singh, the research officer is Alison Drummond, and our person from Hansard today is Maureen Murphy.

We want to welcome you, Minister, to the estimates committee. The procedure is, for anyone who doesn't know, the minister has half an hour for an opening statement, the official opposition half an hour, the third party half an hour, and then right of reply to the government side. The government side can do it or the minister can do it. Knowing the rules of the game, we now turn it over to the minister. Welcome.

**Hon Chris Hodgson (Minister of Natural Resources, Northern Development and Mines):** Thank you very much. Mr Chairman and members of the standing committee, it is my pleasure to present the budget estimates of the Ministry of Natural Resources for the fiscal year 1997-98. I'd just like to point out first that this isn't the whole staff of the MNR that has joined us, but I'm very appreciative of the senior staff who have chosen to be here today.

Today I will report on the MNR's recent accomplishments and tell you about our goals and priorities for the coming year. I will review the ministry's business plan and explain how we're implementing that plan to get the best results. I'm confident my presentation will confirm for the committee members that natural resource management in this province has been substantially improved under the present government. I'm proud of what we've achieved since taking office in June 1995, and I'm proud that the future of Ontario's natural resources, and of the communities that rely on those resources, looks decidedly better today than it did two years ago.

Last year in particular was one of much action and many accomplishments at MNR. Let me just list a few.

We streamlined ministry operations and implemented a new business plan.

We introduced a land use planning program called Lands for Life, which will provide much-needed changes to the way we designate uses of crown land.

We formally launched Ontario Parks, which will protect our world-renowned parks system while encouraging a more businesslike approach to park management. Ontario Parks' special purpose account ensures that every dollar raised in park revenues remains within the parks system.

We established a new business relationship with the forest industry in which industry, not the taxpayer, will pick up more of the costs of keeping our forests healthy, sustainable and productive.

We created a special purpose account to ensure that all fees, royalties and fines collected under the Game and Fish Act will be earmarked for MNR fish and wildlife management and conservation efforts. I would like the committee members to note that other governments promised to set up this account and then turned around and said it couldn't be done. We promised to do it, and we did it.

We established the Fish and Wildlife Advisory Board to advise me on how to reinvest the money in the special purpose account.

We introduced the conservation land tax incentive program, a streamlined tax system that will encourage eligible landowners to maintain the natural resource values of their property.

We reintroduced the managed forest tax rebate program to help promote sound environmental practices in the management of private woodlots.

We maintained our position as a world leader in rabies control.

We took a government-wide leadership role in the management of land-related information, which will result in improvements in integration, accessibility and affordability of all land-related data. Land information describes important features such as property boundaries, natural resource information, geology and soils. This information is valuable both to the public and private sectors, and will enable significant business growth in the province of Ontario.

In keeping with the government's red tape initiative, we revamped or consolidated more than a dozen pieces of



legislation and eliminated numerous unnecessary regulations.

As I said, these are just a few of our accomplishments. I'll have more to say about these and other achievements during my remarks today.

The ministry has also been able to make substantial contributions to the government's overall goals and priorities without compromising our commitment to the long-term health of our natural resources.

For example, during the 1996-97 fiscal year we helped to reduce the cost and size of government by reducing the ministry's operating budget by \$89.8 million and reducing staff by 2,100 positions. We removed barriers to growth and job creation by undertaking a red tape review of all ministry regulatory mechanisms and by developing key partnerships. We got good value for money for taxpayers by establishing a fish and wildlife special purpose account, implementing the Ontario Parks business model, developing better accountability methods, consolidating our offices and streamlining the organization.

Before I go further, there are two items I'd like to bring to your attention.

First, you will notice from the material provided that the estimates are organized according to the ministry's four divisions. In addition, the estimate funding levels are also grouped according to our five core businesses, a departure from how previous MNR estimates have been presented. This departure reflects the importance we place on working according to core businesses. I will have more to say about that shortly.

Second, I think it's important to note that we developed and put in place a new business plan and subsequent reorganization at the same time that the ministry was experiencing major reductions in budget and staff. I'm happy to acknowledge that our success in meeting this challenge was due in large part to the professionalism of the people who work at the Ministry of Natural Resources and their commitment to managing Ontario's natural resources in the best possible way.

This year, 1997-98, is the second fiscal year in which MNR will operate according to a business plan. As you know, one of this government's first tasks after taking office was to have each ministry prepare a business plan. The introduction of annual business plans provides our shareholders, the taxpayers, for the first time with a chance to review the objectives of the government and see for themselves how well those objectives are being met.

The starting position for our plan was the ministry's established commitment to achieving sustainable development of Ontario's natural resources. The 1996-97 business plan reconfirmed that commitment and focused mainly on establishing five core businesses and reorganizing the ministry accordingly. Together, our core businesses reflect the diversity of the ministry's legislative mandate, programs and client base, as well as the important role the government plays in managing natural resources. Our core businesses are as follows.

Natural resource management: ensuring Ontario's forest, fish and wildlife resources are managed sustainably

to provide for environmental, social and economic benefits.

Crown land management: ensuring the sustainable use of Ontario's crown lands, waters and non-renewable resources.

Public safety and enforcement: ensuring protection of life, property and natural resources from natural disasters such as forest fires, flood and erosion, and protecting Ontario's natural resources by ensuring compliance with the law.

Parks and protected areas: providing protection of provincially significant natural, cultural, and recreational areas in a system of provincial parks and protected areas.

Geographic information: providing for the creation of, maintenance and access to geographic information about provincial lands, waters, natural resources and infrastructure.

Within these five areas, we've concentrated ministry efforts on the following activities: establishing policy, setting clear standards, planning and allocating resources, managing operations, monitoring the health of our natural resources and conducting enforcement and audits.

#### 1600

MNR was reorganized in 1996-97 to better focus on its core businesses. Structurally, the ministry has gone to three regions from four by dividing the old central region and creating an enlarged northeast region and new south-central region.

Our new organization still has four divisions, each led by an assistant deputy minister, but we refocused our activities within each. The new divisions are natural resource management, field services, science and information resources and corporate services. Within these divisions, at the branch level, we chose new names to make it easier for people to understand who does what as well as where to go to get a particular service. For example, we now have a forest management branch and a fish and wildlife branch.

Through restructuring, we've improved efficiency, streamlined operations and eliminated waste and duplication. We've made sure the MNR continues to be highly decentralized, with a strong emphasis on front-line delivery and service to the public. As well, we've been careful to retain a strong community presence, especially in rural and northern Ontario.

Let me describe some of the other features and principles of the new MNR. We're maintaining a strong emphasis on business planning in order to monitor costs, increase efficiency and focus financial and human resources on our priorities. We're ensuring effective service to the public and looking for ways to be even more responsive to customers' needs. We're operating in a more accountable manner to meet the requirements of our business plan, which emphasizes accountability and reporting. We're pursuing new ways of providing services through partnerships and innovative business relationships and by encouraging community involvement.

With the new ministry structure up and running, our year two business plan directs the ministry's efforts pri-

marily to three priorities. They are fish and wildlife management, land use planning, and customer service. I would like to talk about each of these priorities in some detail, looking at what we've done and where we're going.

The fish and wildlife program, our first priority, provides for the conservation, protection, and rehabilitation of Ontario's fish and wildlife populations and their habitats.

With more than seven million people taking part in fish-and-wildlife-related activities in Ontario each year, we can all recognize how important good management of these resources is to the environmental, social and economic wellbeing of the province.

The figures speak for themselves. Recreational fishing and wildlife activities are the basis for approximately \$4.4 billion in expenditures annually. As well, Ontario has one of the largest freshwater commercial fisheries in the world, with a landed value of fish caught of more than \$40 million.

Wildlife hunting and viewing and recreational fishing provide the equivalent of about 103,000 full-time jobs annually in this province. An additional 20,000 people are employed directly or indirectly by Ontario's commercial fishing and trapping industries.

Earlier this summer, I had the pleasure of introducing the Fish and Wildlife Conservation Act for first reading in the Legislature. The new act will replace the Game and Fish Act, which I am sure you will agree is unwieldy and seriously outdated. The new act fulfils the government's promise to better manage fish and wildlife resources and reinforces our commitment to conservation efforts both here at home and internationally. It includes measures to toughen fish and wildlife enforcement provisions, increase protection of a wider range of species and provide better client service.

I'm very pleased that the new act provides special protection for species such as the northern flying squirrel, the osprey and the giant swallowtail butterfly, as well as for some game species. For example, it will be illegal to intentionally interfere with black bear in dens or to damage dens, and black bear will be added to the list of those species which may not be hunted while the animal is swimming.

The new act also gives our conservation officers greater enforcement powers and better reflects the intrinsic value of fish and wildlife resources. The fine for commercial offences, for example, will increase to a maximum of \$100,000 and/or imprisonment of up to two years. To help prevent Ontario from being used as a base for illegal trade activities, the act prohibits possession of wildlife, invertebrates or fish that were illegally taken in or from another jurisdiction.

We've also made sure the new act is easy to read, easy to use and easy to understand, attributes not normally associated with legislation or legislators, as anyone in the public will tell you. That's the case, and we want to change that.

In addition to the measures contained in the proposed Fish and Wildlife Conservation Act, we've taken a number of other steps to make our fish and wildlife program

stronger and more effective. For example, the proposed act contains the toughest enforcement regulations and penalties we've ever had in this province. But as some of you have been quick to point out, it's only as good as our ability to enforce it. That's why, before I presented the act for first reading, we made sure the ministry has that ability.

We've held the line on the number of conservation officers in Ontario, maintaining the number of badges at 281. In fact, the number of conservation officers is one of the few things in the ministry that has not changed.

We've increased our intelligence-gathering and investigative capacity and capability at all levels: district, region and province. We're putting more emphasis on highly effective specialized officers such as flying conservation officers.

We've restructured both geographically and functionally to better balance our field conservation officers among the districts and to focus more closely on major resource abusers. We've hired enforcement supervisors for each district to whom the conservation officers now report. We're moving ahead with high-technology communication packages in the CO vehicles and the provincial coordination centre, which provides direct support to officers in the field.

We've purchased 50 new, fully equipped trucks in the past year, bringing our fleet to 155. We've retrofitted 40 existing trucks and aim to replace 50 older trucks with new units over the next two years.

We've had great success with moose, deer, black bear and, more recently, wild turkey decoys in apprehending violators in areas where we know illegal hunting is taking place. I would like to note that local outdoor clubs are generously supporting this effort by purchasing and donating decoys for use by conservation officers.

I think it's clear that effective enforcement in all areas of MNR responsibility is one of our core businesses. It's also a priority that has my personal commitment and support.

Other actions we've taken to enhance our fish and wildlife program include establishing the special purpose account that I mentioned earlier and creating the Fish and Wildlife Advisory Board, two accomplishments of which I'm particularly proud.

The revenues going into the special purpose account are expected to average about \$43 million annually. Every penny of those revenues will go towards our goal of healthy and abundant fish and wildlife resources.

The Fish and Wildlife Advisory Board was set up in 1996 and is made up of 11 individuals who are clearly committed to the wise management of our resources. I've already received and acted on dozens of excellent recommendations from the board on how to reinvest the money collected in the special purpose account. Based on the success of the first year, I was glad to recently reappoint each of the board members for a second term. I look forward to continuing to benefit from their good advice.

Just a few of the recommendations we've acted on include providing greater funding to allow for the purchase



of new CO vehicles and the retrofitting of older trucks; putting a stronger focus on marketing our fish and wildlife programs, with an emphasis on communications and customer service; establishing the Take a Kid Fishing Week to give our young people an awareness of both the fun of fishing and the importance of maintaining our fisheries resource; implementing compulsory pre-purchase of a deer licence to enter the antlerless deer draw; reviewing how to improve fisheries management in central Ontario; and restoring coho salmon stocking in Lake Ontario.

The board also recommended revitalizing the popular and long-standing community fisheries and wildlife involvement programs, known as CFIP and CWIP. We took their advice and made a commitment to increase the funding for these programs to a record \$1 million this year. Once we made the decision to increase funding for CFIP and CWIP, it didn't take long to get things rolling. Already this year 488 projects have been allocated, for the full \$1 million.

Groups receiving funding in 1997 include tourist outfitters, fish and game clubs, schools, first nations, service clubs, senior citizens' groups, lake groups, cottagers' associations and community organizations. Projects include creating spawning beds for fish, building nesting structures for birds and turning school yards into more natural environments. To give their efforts a further boost, I've set a ministry target to have at least five CFIP and CWIP projects in place in each MNR district by 1998.

I strongly support CFIP and CWIP because they are grass-roots initiatives. Participants in these programs are motivated by love of the outdoors and respect for the environment. They are also motivated by the same reasons we've made fish and wildlife management a priority for MNR: recognition of the benefits we all gain from good management of these resources.

#### 1610

Our second priority for 1997-98, as outlined in the business plan, is land use planning. When we took office two years ago, it was clear that Ontario badly needed a comprehensive plan for managing crown land. There was increasing competition and conflict over the use of crown land and no strategy for resolving those conflicts. Battles over land use decisions were causing costly delays. The dispute resolution process was backlogged. Resource users were uncertain about the future. We've decided to do something about this situation without wasting any time. Our agenda was ambitious but we knew it was necessary and doable.

Today, we have a plan in Ontario for deciding how resources will be divided among users, a plan for deciding what areas need to be left alone and what areas are suitable for economic development, a plan to integrate protection with use. The plan is called Lands for Life, a groundbreaking initiative that will ensure Ontario's crown lands, waters and non-renewable resources will remain abundant, healthy and productive for our benefit and for the benefit of future generations.

Until Lands for Life, Ontario had a cumbersome and expensive process for resource-use decisions that only

determined possibly acceptable uses. Now we have a process to determine the best use of our crown lands and waters. Through this process we will clearly identify the resource and the land base requirements for forestry, natural heritage, resource-based tourism, fish and wildlife and other activities.

Through Lands for Life, MNR will continue to protect important landscapes and wildlife habitat by establishing new parks and protected areas; identify opportunities for careful use of our natural resources; address current environmental concerns in a scientifically sound manner; provide greater certainty for resource users; and reduce costly conflict among user groups about activities on crown land.

Here's how it works. We've divided Ontario's crown land into three broad regions — boreal east, boreal west and Great Lakes-St Lawrence. Each region is represented by a round table, which includes environmentalists, aboriginal peoples, tourism operators, recreational users and forest industry and mining interests. We will look to the round tables for recommendations on areas for protection, resource-user and recreation needs, basic conditions for compatible use, and targets and indicators to determine the long-term health of the resources. We've already begun this process. In June I announced the appointment of 40 representatives to the three round tables.

Between now and the end of the year, the round table members will study their respective regions, share information among themselves and with MNR staff, and invite the public, including people who live in southern Ontario, to provide information and comments on proposals for crown land protection and resource development. I'm expecting their final recommendations to be presented to me by mid-1998.

By setting up round tables, the people most affected will have a say in what can and cannot take place on crown land. By bringing all the players to the table, we will help settle conflicts quickly and fairly.

We designed Lands for Life to include three separate initiatives. They are the Nature's Best action plan, which will lead to the completion of our provincial parks and protected areas system; the resource-based tourism policy, which will allocate land and resources for tourism; and the sustainable forest management strategies, which will provide long-term certainty and encourage investment.

I am also committed to ensuring that fish and wildlife habitat and values are fully recognized in the Lands for Life process. Our aim is to improve opportunities for access to our fish and wildlife resources, while keeping those resources healthy and abundant.

Nature's Best is our plan to protect Ontario's wilderness values, landscapes and natural features for future generations. It is our commitment to complete a park system and protected areas that together will represent the full diversity of the province's natural features.

We're not starting from scratch. We're fortunate that the province has been setting aside lands and waters for protection for more than 100 years. Today, our system of 272 provincial parks and conservation reserves is a price-

less public trust. To give you an idea of the magnitude of our parks system, we currently have 15 million acres of parkland in Ontario, compared to 9.5 million acres in agricultural use.

With Nature's Best, we will build on what we have by continuing to establish new parks and conservation reserves. We will seek out partners to work with us in protecting these areas. We will maintain the health of our ecosystems, provide protection for wildlife habitat and ensure that we can all continue to enjoy outdoor recreational activities.

The public will be involved in decisions about whether and how areas will be protected as part of the Lands for Life planning process. Identifying, protecting and managing parks and protected areas takes time and requires the consideration of many viewpoints. To achieve our protection goals, it's important for governments and agencies, conservation groups, industry, scientists, private landowners and individuals to work together.

We will encourage the establishment and management of protected areas on public and private lands through cooperation and partnerships with organizations such as the Nature Conservancy of Canada. Partnerships are essential in protecting sensitive lands in southern Ontario in particular, where almost all the land base is privately owned.

The Niagara Escarpment is a good example of where such cooperation is needed. Our government is committed to the continued protection of the unique features of the escarpment. For this reason, MNR, which already manages the province's largest system of parks and protected areas, now has responsibility for the Niagara Escarpment Commission. As part of the Lands for Life planning process, we are consulting with key client and stakeholder groups of the commission to build consensus for the protection and use of the escarpment.

The second component of Lands for Life is a resource-based tourism policy for northern Ontario. We know people come from all over the world to hunt, fish, camp, canoe, hike, snowmobile and view wildlife in Ontario. We understand the economic importance of tourism to the province, and we've worked with many industries and groups to develop this tourism policy. The policy recognizes the need for the resource-based tourism industry to have long-term certainty of access to crown lands. When tourist operators know what resources they will have access to over the long term, they will be better able to plan and invest in their businesses. The results will be stronger, economically diverse communities and more jobs.

The policy also takes into account the environmental value of our natural resources and requires that tourist operators take care of the land they use. The result will be a healthy land base and a more supportive climate for the tourism industry.

The third component of Lands for Life is sustainable forest management strategies. Lands for Life gives the forest industry more secure access to timber, allowing it to make additional long-term investments in forest renewal.

The increased investment will also help the forest industry stay competitive in a global market and provide long-term jobs in local communities.

In return for more certain access to wood, industry will have to meet the tough standards to keep Ontario's forests healthy. Forest industries will be required to meet these standards through effective and diligent monitoring and audits. Our goal is to help strengthen forest industry competitiveness, while promoting better forest protection and management.

Together, the components of Lands for Life — Nature's Best, resource-based tourism, sustainable forestry strategies, and fish and wildlife access — give us the tools we need to balance long-term protection and careful use of our crown lands and waters.

Our third priority for 1997-98 is excellence in customer service. Good customer service is a fundamental commitment of the ministry to its clients and to the public. MNR has a tradition of quality customer service, and our staff continue to uphold a strong customer service ethic and workstyle, and we think we can make it better. A recent survey told us we have made some progress, that there is a high degree of customer satisfaction with our services, particularly regarding the willingness of MNR staff to meet customers' needs and their helpfulness in this regard.

We know we're doing a good job but, with all the changes that have taken place in the ministry, we also know it's time to reassess the way we deliver service. Our clients expect the best from us. Anglers and hunters expect a top-quality fish and wildlife program. Park visitors demand a quality experience. Our forestry, tourism and aggregates customers count on sound advice.

MNR is committed to strengthening its links to traditional clients as well as initiating new relationships. Our challenge is twofold: We must understand and meet our clients' needs and make sure the public knows and understands the business, services and products we provide.

We must also provide ministry staff and service agents with clear standards and expectations for services and service delivery. To achieve these goals, we will examine our capacity to provide service where it is most needed, and we will equip staff with the professional skills, scientific knowledge and technical abilities they need to serve the public in the best possible way.

A key first step in our efforts to improve customer service has been the MNR's red tape exercise. Nothing frustrates people more than unnecessary or cumbersome bureaucratic regulations and processes. Improving public services was one of the main goals of this initiative.

#### 1620

The changes we've made to date and those we intend to make in our red tape bill will make a big difference. We're proposing to revamp 17 pieces of legislation. Several acts will be consolidated into simpler, more focused legislation. Unnecessary regulations have and will continue to be eliminated. Here are a few examples of what is in MNR's red tape bill:

We will streamline forestry legislation by reducing 11 acts to five.



We will clarify the Crown Forest Sustainability Act, guaranteeing the protection of more than \$11 million annually for forest renewal.

We will make changes to the Lakes and Rivers Improvement Act, streamlining the approval process for building and repairing dams while also giving the ministry the power to issue a stop-work order to protect public health and safety.

We will revise the Conservation Authorities Act, getting the province out of the way of local decision-making while still ensuring the provincial interest in flood control is met.

Many of our red tape changes are administrative and will not alter our ability to manage our natural resources in an environmentally sound manner. They simply make government work better. Better government is what our business planning process is all about. We're implementing our business plan through two main strategies: expanding and strengthening partnerships and obtaining a fair return for providing services and access to public resources.

For many years, the ministry has moved towards a model of shared-resource stewardship in the belief that some functions traditionally carried out by MNR may be more effectively delivered by others. We're stepping up this process. One reason is that we have less money to spend as a ministry. We also believe it's important to get more people involved in resources. This will make for better resource management in this province.

We know that shared stewardship, in the form of partnerships or innovative business arrangements, will become increasingly important as more operational activities of the ministry are carried out by others. We already greatly benefit from highly successful partnerships with organizations such as Ducks Unlimited — this is the first provincial government or government of any sort in North America to sign a perpetual agreement with Ducks Unlimited Canada — Wildlife Habitat Canada, with which we recently signed a partnership, and the Nature Conservancy, which we signed a partnership with last year.

Some of the ways in which MNR is encouraging greater shared responsibility include:

Seeking out new or expanding existing partnerships with public agencies, volunteer organizations and interested individuals. I've already mentioned our plans to expand the CFIP and CWIP programs.

Establishing a broad range of business arrangements, joint ventures and service agreements with clients and resource industries.

Providing forums such as advisory boards, round tables, stewardship councils and technical committees at provincial, regional and local levels to ensure the highest level of public input goes into decision-making on resource issues.

Encouraging and promoting sustainable use of our resources on private land, while respecting private property rights. An example is the new conservation land tax incentive program.

Our second strategy involves getting a fair return to taxpayers for resources and services based on their fair and appropriate value. Ontario's natural resources provide a wide variety of benefits to individuals and communities. Increasingly, people are becoming aware of not only the direct economic benefits of natural resources, but also their indirect social and environmental benefits.

Placing a value on natural resources to ensure a fair return to taxpayers requires identifying all those benefits — environmental, social and economic — and determining their worth to society. This allows us to establish priorities and objectives for land and resource use and set prices for resource development. Placing an appropriate value on resources also encourages their efficient allocation and use, supports efforts to protect limited resources and promotes conservation.

While placing a value on our natural resources, we also need to look at all the social and environmental costs of development. Prices charged for resources should provide a fair return to the public and reflect the benefits received and the potential lost opportunity for alternative uses of the resource.

**The Vice-Chair:** Minister, I'm going to have to stop you there, because your half-hour —

**Hon Mr Hodgson:** I was just getting warmed up.

**The Vice-Chair:** You may have a chance to continue your reading exercise at the end, when you have the right of reply.

**Hon Mr Hodgson:** Thank you.

**The Vice-Chair:** We'll go to the official opposition.

**Mr Michael A. Brown (Algoma-Manitoulin):** Mr Chair, just to be helpful to the minister, I know this works in a rotation system. We would be pleased to allow the minister to finish his statement now, provided that time is taken from their next rotation. I think that would be suitable.

**Interjection:** How much time is it?

**Mr Michael Brown:** The next time you'll have half an hour.

**The Vice-Chair:** Agreed? Continue, Minister.

**Hon Mr Hodgson:** Setting the value of our resources is an ongoing and challenging task. Public involvement is necessary to determine the value that society wishes to place on our natural resources, who benefits from those resources, when the benefits occur, who should pay and what is a fair price. One of things we did to set the stage for ensuring that taxpayers get a fair deal in the management of natural resources was to pass the new Aggregate and Petroleum Resources Act. The aggregate, petroleum and brine industries now have increased responsibilities. They're expected to do more in exchange for access to our natural resources.

The new Aggregate Resources Trust will look after annual licence fees while also administering funds for the rehabilitation of abandoned pits and quarries. A similar Oil, Gas and Salt Resources Trust will help fund industry research and support academic institutions. Bill 52 established tough new standards for these industries while

ensuring that our resources are managed for the long term and with less negative impact on the public.

So far today I've shown you how MNR has refocused and reorganized, resulting in a more efficient and effective organization. I've talked about the ministry's priorities for this fiscal year as well as our long-term goals. I've outlined our business plan and the strategies for implementing it and I've described many of our accomplishments.

Before I conclude, I'd like to take a few minutes to talk about two other ministry programs in which we've made significant advances over the past two years. One is our success in modernizing and improving the ministry's ability to fight forest fires and protect northern communities. In fact, far fewer hectares burned in 1997 than in previous years despite the high number of fires, showing that our focus on initial attack is working.

We've just gone through two of the worst fire seasons on record and our firefighters have done a tremendous job. To quote from a letter I received last month from a cottagers association near the fire known as Timmins 12: "Your staff's expertise and professionalism were very evident in the area of our personal safety and protecting our property. We are very fortunate to have such a fine group of men and women looking after us."

In the past two years, we've taken a number of steps to improve our firefighting capabilities. This includes acquiring new technology such as an advanced computer support system and an enhanced aircraft maintenance information system. We've also implemented a daily cost-tracking system and increased our ability to analyse required levels of protection. Improved technology has allowed us to move crews quickly to areas of extreme fire hazard and not to wait for the fire to come to them.

This season we're benefiting from some exciting new technology developed by the MNR. These talented and innovative engineers have designed water-bombing floats for the ministry's Twin Otter aircraft, permitting the planes to operate from either land or water. We plan to market this latest forest firefighting tool nationally and internationally. There are hundreds of Twin Otters around the world and many could be converted to waterbombers using our float system. We believe we'll be able to produce revenue for the province by selling this expertise. We're also looking into offering our own Twin Otter water-bombing services to other countries during the winter months and marketing our expertise that way.

We're also doing all we can to improve the safety and comfort of our crews on the fire line. This spring we awarded the Victorian Order of Nurses a contract to provide front-line health and medical services at large fire sites. As well, we awarded contracts to four private companies to provide support services for base camps for large fires. Awarding these contracts to the private sector means improved health care and base camp services and allows MNR forest firefighters to concentrate on fighting fires.

This season we have put in place an improved system for reporting forest fires. Every year, most reports of forest fires come from the general public. A new toll-free

phone number is providing callers with direct access to the MNR's regional fire response centre.

I was also pleased this past spring to announce a more efficient and cost-effective approach to hiring extra forest firefighting crews. The ministry chose six companies to provide up to 120 five-person crews of trained forest firefighters. These crews can be brought in to fight fires on short notice to supplement our regular crews. The creation of this supplementary firefighting force will mean more flexibility for the ministry in fighting forest fires and will create additional employment opportunities in the province. In particular, we've been able to significantly increase the number of local people involved in forest firefighting.

Another success story I'd like to highlight is our new parks organization. Our provincial parks attract 8.5 million visitors a year to this province and contribute about \$1 billion annually to the provincial tourist economy. The people of Ontario know they have one of the finest parks systems in the world. Ontario Parks aims to make it even better.

#### 1630

In the year since we announced Ontario Parks, the organization has made significant progress. In the first season of operation as a new business model, no operating parks were closed and revenues were up 14%. By setting up a special purpose account, we've ensured that for the first time every dollar raised in park revenues remains within the parks system to be used for continuing improvements.

We've added seven new parks and expanded seven existing parks, giving us a total now of 272 provincial parks. We'll continue to add new parks as part of our Lands for Life commitment to complete the parks system.

Customer service improvements include increasing the number of serviced sites and additional new campgrounds and comfort stations in selected parks. We've improved the campsite reservation system, adding more telephone lines in some parks as well as more computers, and we've made the Parks Guide more informative and easier to use.

We're also offering and making sure that more people know about our parks. One of the goals is to bring more visitors to Ontario and to visit our parks from around the world. In the last year, we've launched a website on the Internet, increased our marketing efforts and created a new logo for Ontario Parks.

We're using radio and newspaper advertising campaigns and participating in events such as Canada Parks Day, to get the message out that our parks have something for everyone and make great family vacation destinations.

The website lets online visitors from around the world explore what our parks have to offer and learn more about Ontario's natural and cultural heritage. In its first year of operation, the website received more than 81,000 visits.

The new green-and-blue logo, which I unveiled last month, signals our renewed commitment to the long-term protection and management of our parks. The logo will be gradually introduced on merchandise, signs, staff uniforms, publications and vehicles.



The people of Ontario have a strong emotional attachment to their provincial parks. They associate parks with the rich natural diversity of the province and with the best of outdoor activities: canoeing, fishing, camping, hiking or just discovering Ontario's extraordinary scenery and wildlife.

Based on what we've achieved to date, I'm confident that Ontario Parks will keep our parks system among the best in the world, managed by an organization of committed people.

There are obviously many more ministry programs and achievements that I could bring to your attention, and if time permitted, I probably would. I'm happy to address these with the committee members in the time allotted during these estimates if they're brought up. I'm also joined today by my deputy, Ron Vrancart, and the assistant deputy ministers, who will be more than glad to answer any of your questions throughout these hearings.

At this time, Mr Chair, I'd like to turn the proceedings back to you.

**The Vice-Chair:** Thanks very much, Minister. We'll now move to the official opposition. You have half an hour to respond, Mr Brown.

**Mr Michael Brown:** I'd first like to thank the minister for coming and to indicate to the ministry staff the high esteem we hold for the people in the ministry who have done a great job for Ontario over the years, certainly not just the ones here in Toronto, but I know the ones in Sudbury, Espanola and Blind River in particular that I deal with on a regular basis are professionals who are very helpful to both me and my constituents.

I wonder, Mr Chair, though, if instead of making an opening statement I could just go directly to asking the ministry some questions. Is that appropriate? I guess it is.

**The Vice-Chair:** It's my understanding that you have the 30 minutes. You can ask the questions, but the minister is not obligated to answer the questions in the first 30 minutes. Maybe we'll ask the minister. Minister, will you be answering the questions he asks?

**Hon Mr Hodgson:** I'm interested in hearing Mike's 30-minute address on how resources have gotten better.

**Mr Michael Brown:** I can do that, if that's what you would prefer.

**Hon Mr Hodgson:** It doesn't matter, Mike. Have you got some questions?

**Mr Michael Brown:** I'd rather go to the questions. I think we'd get a lot farther that way.

**The Vice-Chair:** I think the minister has agreed that he would answer the questions, Mr Brown, so go ahead.

**Mr Michael Brown:** You talked in your statement about the priceless natural resource of our provincial parks, and that's where I'm going to start with my first question. I would like to ask the minister on what date Ipperwash Provincial Park reopened?

**Hon Mr Hodgson:** In the last fiscal year?

**Mr Michael Brown:** Yes.

**Hon Mr Hodgson:** I believe the park hasn't opened as yet.

**Mr Michael Brown:** So it is closed.

**Hon Mr Hodgson:** It's still occupied, I understand.

**Mr Michael Brown:** That would mean that this park has now been closed for two years?

**Hon Mr Hodgson:** It hasn't run for two years, since September 1995.

**Mr Michael Brown:** Could I speak with the minister then about the events that would be involved in the closure of that provincial park? I was wondering if you could indicate to us what role the ministry personnel had at the park. I understand it was closed at the time the occupation took place, but when they became aware that there were first nations people in the park.

**Hon Mr Hodgson:** I would have to defer that to one of the parks staff precisely. Les Kobayashi was the manager there and from our office's point of view when we were made aware of it, our first concern was the safety of the parks staff. I don't know, Ron, if you want to answer this.

**Mr Ron Vrancart:** I think I might be able to be of some assistance. In the summer of 1995 a group known as the Stony Pointers took occupation of Camp Ipperwash, which is the Department of National Defence's property right next door to the provincial park, and they have continued to occupy that site until this very day. My recollection of the events is that the natives moved from Camp Ipperwash into Ipperwash Provincial Park next door on the Monday evening of Labour Day in 1995, which I believe was September 4.

**Mr Michael Brown:** From the ministry's point of view, was it totally unanticipated that this occurrence might happen, notwithstanding that everyone was aware there were first nations people on the adjoining military base?

**Hon Mr Hodgson:** I believe there's going to be a court case on this or the matter is before the court and I'm sure, Mike, that information can be gotten precisely.

It was well known to us that there was a breakaway group from the event, Chief Tom Bessette, the recognized chief of the first nations community down there. There was a dissident group that had some problems with the federal government that I believe the federal Liberals were trying to deal with around the military base, and there was something about an environmental cleanup of the site that was being negotiated, which consultant would go in. They were negotiating or having some problems with this dissident breakaway group, and details around the Ipperwash park I believe were documented in the courts.

**Mr Michael Brown:** I guess the federal government has its responsibilities. My question, though, relates to, given the fact that there was a group of first nations people occupying the military base, obviously the ministry should — well, maybe not obviously. If the ministry had some thoughts that perhaps the occupation could have been broadened, there must have been some — I guess what I'm asking is, did MNR have a communication with the federal government or with the Stony Pointers on an on-going basis or at some kind of level before the occupation actually took place?

**Hon Mr Hodgson:** I don't know the details on that, Mike. That was a couple of years ago. But we can stand

that question down and get back to you on it. I don't want to say something and find out there was a reference between parks staff. A lot of the staff at that park are members of the first nations community. We can check it out for you. I'll just defer the question.

**Mr Michael Brown:** That's fair enough. The question then would arise, when did the MNR — you can defer all of these, but I would appreciate some kind of an answer. I don't think it's just a matter of —

**Hon Mr Hodgson:** It was a couple of years ago.

**Mr Michael Brown:** This is the first time we've had estimates, to be fair.

**The Vice-Chair:** Just one second. Is it a vote?

**Mr Michael Brown:** We must go to a vote, Mr Chair.

**The Vice-Chair:** We'll recess until the vote is over. I think it's a five-minute bell. Am I correct in that?

**Mr Michael Brown:** Yes.

**The Vice-Chair:** Let's defer and we'll come back after the vote.

*The committee recessed from 1638 to 1704.*

**The Acting Chair (Mr John C. Cleary):** I guess we're all set to start again. There are members from all caucuses here and the official opposition has 25 minutes left.

**Mr Michael Brown:** I believe we were talking about the closed provincial park at Ipperwash. Perhaps the ministry could indicate how much in lost revenue that might cost the parks system per year?

**Hon Mr Hodgson:** Based on 1996, approximately \$208,000 in potential revenue or permanent sales were lost to the crown because of the park's closure and a projected \$238,000 will be lost in the current 1997 operating season. Those are estimates on what the revenue side would be.

**Mr Michael Brown:** I'm just trying to think about where exactly I was in my questioning when we went upstairs for the vote, but I think I was wondering when we broke if the ministry had any indication that this occupation might happen or it was conceivable that this may happen, given that the Stony Pointers were occupying the adjacent federal facility.

**Hon Mr Hodgson:** I think as you're probably aware, and as I alluded to before but we've checked since we had the break, the matter is still before the courts and I'm not, as you can understand, at liberty to comment when there are still outstanding matters before the court. That is what I've been advised by our legal counsel.

**Mr Michael Brown:** I'm wondering how any of the information that I'm asking for is sensitive at all to the court decision. I would not expect you to answer something that might jeopardize any kind of court, but I fail to understand how any of what I'm asking has any relevance to that in particular.

**Hon Mr Hodgson:** Just to be safe, you might want to read into the record for the next 25 minutes all the questions you have and then we can get back to you with people who are qualified in the law to see if that would have an impact or not.

**Mr Michael Brown:** All right. Let me just ask you, the ministry obviously has a policy on incidents that might involve either crown land or provincial parks that you were entrusted as a ministry in right of the people of Ontario to supervise and to work. We're all aware that similar incidents have occurred on crown lands in Ontario before. I just wonder if someone in the ministry could indicate to me what the standard operating policy would be in a general sense when this type of occurrence, an occupation or a blockade by first nations people or anyone else for that matter, might occur.

**Hon Mr Hodgson:** I'll note that, Mike, and at the end of all your questions I'll try and get back to you on it. If you want to ask all your questions around that, then we can mark them down. You've got half an hour, then we've got seven and a half hours total. I believe there's about five hours of question and answer, so this is your first half-hour. If you want to just read all the questions, then I can get back to you again.

1710

**Mr Michael Brown:** As you might appreciate, this line of questioning sometimes flows from the answers one might get. You sometimes pursue an area that is of absolutely no value to the public or anyone else because you don't know what the answer might be, but if that's what you want to do, we'll do it that way.

We would like to know when exactly the employees of the park became aware that there was an occupation of a closed park; if any initial dialogue occurred with the people who were occupying the park; whether in that dialogue it was indicated to them that there was a conceivable burial ground on the site and — this is what makes it difficult because we don't even know if the dialogue took place — after that dialogue, who they notified in the ministry — I assume they would notify a superior of some shape or description; when it was brought to the deputy minister's attention and when it was brought to the minister's attention; what the resulting actions of the minister and the deputy minister were at that point. I understand there is a protocol at that level that kicks in. Perhaps you could describe that and your ministry's involvement in it. I think your ministry, as you would agree, has the primary responsibility for the land, and that's what this is about. Also within your ministry, and I didn't notice it being spoken of at all in your statement, is a unit that does negotiate with first nations people. I would like you to describe what involvement they would have had. You also have a number of highly experienced people in the ministry who are good negotiators, often very good at opening dialogues with first nations people.

I guess that's where we'll start. It's very difficult for me, when I don't get any answers, to be able to pursue that but if the minister would undertake at the next meeting of the committee to bring the responses back, there may be other questions — I'm sure there will be other questions that will flow from that so that we might understand what steps were involved.



I think there are a number of concerns here. This is a public policy management failure of huge proportion, never been seen in the province before, and it's on your watch. What has transpired here is the death of a first nations person, the first time ever, I believe, but at least in the last 100 years in Ontario. We have an OPP officer who has been convicted of a crime at this point. We have a park that is closed. There's no indication from your ministry that there are any negotiations going on at this point to try to reopen that park. If so, we would like to know about those negotiations. Probably it is the most significant event that has happened since your government assumed the responsibilities it presently has, so these are very serious questions.

I'll leave it at that. I have a number of other things to talk about and we'll come back to doing that if you can give me some commitment that you will at our meeting — I believe it would be next Tuesday — to respond in a manner that is useful. Do I have that commitment?

**Hon Mr Hodgson:** We'll take it under advisement, Mike, and see what we can answer on Tuesday.

**Mr Michael Brown:** Okay. From this I will go back and I would be somewhat interested in this particularly well done statement by the ministry. I really have to applaud the spin doctors for their absolute magical use of jargon and words to talk about a ministry that has 2,100 fewer employees today — about half the budget — and that many people, at least in my part of the world, would say, has abdicated responsibility after responsibility in the care of Ontario's natural resources.

We first would like to talk about the trust fund that has been set up for fish and wildlife. I believe, if I can find the right page here in the estimates, there is a graph or a table of that. You raise approximately \$43 million — I'm looking for the page here, schedule 9. Is the correct figure that you're estimating that there will be \$37 million accruing to that fund this year? And the total amount spent on fish and wildlife, I believe, Minister, far exceeds that number. Am I correct?

**Hon Mr Hodgson:** Yes, you're correct on that, Mike.

**Mr Michael Brown:** It's in the neighbourhood, looking back — if somebody could help me with this — I believe it's about \$53 million. Anyway, it far exceeds it and it is about the level that has been spent in this province for quite a number of years. It's pretty much a flat line so I guess I should congratulate you for at least protecting the fish and wildlife budget where it is.

My concern, and it has been expressed to me by a number of people, is that the trust account which receives the licence fees and royalties etc does vary in the amount of money it takes in. In certain years, about every three years, there's an abnormal surge of funds into that because of the way the system works. Am I correct in that? You can expect the year the outdoors card renewals come up that there will be substantially more money flow to the fund in that given year? Is that a correct assumption?

**Hon Mr Hodgson:** Yes, I would think that's correct, Mike, because most people renew on a three-year basis, so you've got a large amount of money but there are carry-

over provisions and interest on that account inside the trust accounts.

**Mr Michael Brown:** Right. What I'm concerned with then is in the year where we get this reasonably large increase in the amount of money that comes to the trust account, will that be offset by the \$16 million or \$17 million that is provided for by the province in that year? I'm talking about the difference between what is provided for in licence fees etc and the total amount that is spent on fish and wildlife. I'm asking you whether that remains constant. Will you reduce the difference in the year the licence fees provide you with far more revenue?

**Hon Mr Hodgson:** No, we won't. We're trying to grow this program of fish and wildlife. It's a priority for the ministry. This is one of the improvements that people are generally very, very pleased about because it gives some certainty. They know where their dollars are going. I remember when they brought in the conservation fishing licence fee, that was back in the 1980s, I believe, under the provincial Liberal Party, and they told people who hunt and fish: "Don't worry. This money is going to all be used in a special purpose account that you'll be able to track and see that it's spent on fish and wildlife purposes." That didn't happen, and under the NDP it was stated that it was impossible to happen.

What we've done is set up a trust account. All that money goes into this special purpose account. There's some money that was there before, and I want to thank you for the compliment of maintaining that budget even though the province is \$100 billion in debt and we had to find some fiscal savings. We kept that money, and there will always be a portion that is spent by the Ontario taxpayers on fish and wildlife in natural resources.

1720

**Mr Michael Brown:** What I'm asking is, is that going to be a constant amount?

**Hon Mr Hodgson:** Yes, that's our intention, to keep that as a constant amount, to grow through participation in other measures — the trust fund — and enhance the fish and wildlife program. I found that people generally want to see more stocking and more rehabilitation, more fishing and hunting opportunities. To do that, they say: "We're not opposed to paying for our licence fee. We use the resource, we enjoy it, and we want to see it there for the next generation." They're willing to pay, as long as they know the money's being used that way. To go along with that, we've set up an advisory board, and their advice, along with the dollars, will be tabled in the Legislature for public accountability.

**Mr Michael Brown:** You are aware, of course — you made some other snide remarks about a Liberal government — that there was a committee that oversaw the account which just got severed and that spending on fish and wildlife was at least as much as it is today.

**Hon Mr Hodgson:** Yes.

**Mr Michael Brown:** That committee was disbanded. You would have some difficulty convincing any accountant that there is any more money being spent today than there was in those years.

I'm having a little difficulty. You're telling me that the bump in the licence fees will stay in the trust account, to be averaged over the next two years, I take it.

**Hon Mr Hodgson:** That's right, and we get interest on that account as well. This year I think we're at the lower end, at about \$37 million; we average about \$43 million, we project. So treasury — we've worked out an agreement and we're setting up this trust account. In years to come, when you get that bump, the money stays there and you get the interest on it.

**Mr Michael Brown:** In the trust account?

**Hon Mr Hodgson:** Yes. It encourages our managers to have a longer-range outlook on planning. It's not reinforcing the attitude that you spend it or lose it. I know you'd agree, Mike — I've sat on committee with you and I've heard you speak before — that we need good resource management planning, not just the typical, "Wait until February and spend your budget, otherwise you won't get it next year at estimates." This is a special purpose account and it carries over from year to year. It should encourage excellence.

**Mr Michael Brown:** My point, though, is that the special purpose account is still about 70% of what you spend on this particular category.

**Hon Mr Hodgson:** And you're worried that the government will withdraw the other funding as the revenue increases on the licence fees.

**Mr Michael Brown:** That's right.

**Hon Mr Hodgson:** That's not our intent. In the estimates, we want to hold the line on what comes on top of the licence fees and then grow the program.

**Mr Michael Brown:** I'm sure the people of Ontario will be happy with that answer. I am.

**Hon Mr Hodgson:** They are.

**Mr Michael Brown:** Could you tell me how the money is invested?

**Hon Mr Hodgson:** I can let Ron do that. Do you know how the money's invested, who looks after it? It's the Ministry of Finance that invests the money.

**Mr Michael Brown:** The Ministry of Finance does that, but separately from their other — could you tell me what kind of return they might get on their investment?

**Hon Mr Hodgson:** I can find that out for you, Mike.

**Mr Michael Brown:** Okay.

Shifting gears a little, I'm concerned also that you don't say a heck of a lot about the forest industry in this particular statement. You make a few statements. The costs to forest producers in the province of Ontario have increased dramatically. I've heard numbers, that the expense they pay either through stumpage or other fees is at least a 300% increase. Yet when I look at the chart on page 68 I see that the revenues are relatively flat for non-taxation revenue.

How could it be that you project in 1997-98 something less than \$250 million in royalties when there has been such a substantial increase in the payments for stumpage and crown area fees and others that the industry pays? How is it that that's not reflected in the revenues? A substantial amount of that money goes to the forest renewal

trust. Is that the answer about why it doesn't appear in the general revenue, non-taxation revenue part of this chart?

**Hon Mr Hodgson:** I can get you a precise answer, but first, as a general observation, some of the comments you might be picking up are that we are asking the forest industry to do more of the actual work of making sure the forest is there in the future. They make a profit on it. A lot of the costs they're talking about are silviculture costs that they're going to have to pick up that the ministry used to do.

**Mr Michael Brown:** But that comes back out of the trust.

**Hon Mr Hodgson:** But what you're talking about on the royalties on page 68 is an estimate based on the market prices for the products.

**Mr Michael Brown:** But I fail to understand how in 1988-89, they would be just something less than, I suspect, \$200 million, yet with huge increases in stumpage and huge increases in other non-taxation costs to these companies and individuals — so the trust funds are not included here?

**Hon Mr Hodgson:** I can have Larry Douglas come up and explain to you in detail, Mike, if you'd like.

**Mr Michael Brown:** That might be helpful.

**Hon Mr Hodgson:** Larry, would you like to come up and explain the trust funds in chart 68?

**Mr Larry Douglas:** The information that's shown on page 69 is moneys that go to consolidated revenue. They are not moneys that go to the trust funds. I think the simple answer to your question is that for 1997-98, the prices for pulp and paper newsprint are lower. Yes, the base rate went up, but it's more than cancelled out by the reduction in residual value because of the market going down for those two commodities.

**Mr Michael Brown:** The trusts would have kicked in in 1995-96. Is that the year that we would expect to start to see trust money accrue to the trusts?

**Mr Douglas:** Yes.

**Mr Michael Brown:** Approximately how much money would accrue to the trusts in each of these years? I know it comes in and goes out.

**Mr Douglas:** The money that goes to the trust funds is quite constant. For forest renewal, there's a peg rate for the various kinds of species. It was originally \$6 a cubic metre per conifer. That was a provincial average that's been corrected this year to vary a little from management unit to management unit because it costs more in some than in others, but it's basically the same.

There are also moneys that go to the forestry futures trust fund. That has been increased somewhat this year. There was a schedule to increase it over time. Originally, there was \$11 million. I believe it's been increased. At this point I can't tell you exactly what the number is, but we can get it for you.

**Mr Michael Brown:** What I'm interested in is, from industry's point of view, how much are they paying for now? I find this chart a little bit not helpful, in that before, up to about 1995, a lot of this money was expended by the Ministry of Natural Resources itself in silviculture and



forest management activities, by the ministry itself. Now that's not being spent by the ministry itself. It's now just kind of gravy for earning.

I think it would be more helpful to understand — these charts would look quite different, because the ministry's budget has lost about this amount of money since 1995. I may not be making myself very clear here. There's a substantial change to the way the system works in total, because the forest companies pay into the trust funds and then draw it back out of the trust funds to do silviculture. That didn't exist before. The ministry did much of that work out of their general budget before; not all, but most of it. Now we're in a situation where the amount paid to government is just revenue. It's plain, ordinary revenue going to consolidated revenue, where before it was actually spent on the forest. Would that be fair to say?

1730

**Mr Douglas:** It wasn't dedicated before.

**Mr Michael Brown:** I know it wasn't dedicated, but there was at one time a rough relationship between the amount the ministry took in and expended in terms of the forest. It was rough but it was about right.

Well, I'm happy. I understand. I have another question about that, though, in terms of royalties —

**The Acting Chair:** Excuse me, but your time is up. Before the gentleman leaves I would like you to state your name and your title for Hansard.

**Mr Douglas:** I'm Larry Douglas, director of corporate affairs.

**The Acting Chair:** Thank you. Now it's the New Democratic Party's turn.

**Ms Shelley Martel (Sudbury East):** Thank you to the minister, the deputy, the ADMs and other staff who are here and all of those in the background who are not here but had to take the time to put together both the estimates and the notes the minister referred to. I understand the amount of work that goes into preparation for estimates, and I appreciate the time that was taken to make both the book and the notes available to us and to be here today to answer questions.

Like my colleague from the Liberal Party, I'm going to make only a very short statement with respect to the comments made by the minister, and then I want to ask questions.

Clearly the cuts this ministry has sustained are very significant and, I would argue, very severe. In terms of staff alone, my understanding is that this ministry has taken the biggest hit in the number of staff that have been lost in relationship to any other ministry. I find that very difficult to accept, given the very important role that MNR staff have to play in terms of protecting our natural resources.

Contrary to your statement in the package you provided today, Minister, I firmly believe that the cuts both in terms of staff — 2,100 to date — and in terms of the budget cut of \$89 million for 1996-97 alone, in fact do compromise the ability of the ministry to protect our natural resources, be they fish, wildlife, aggregate or forestry. I also believe that kind of cut in staff significantly compromises the

ability of the staff to deliver quality customer services to people across this province.

I need only look at some of the things that have been happening or will happen to support that. You've got a court challenge the ministry is involved in right now, brought by a number of environmental groups, concerning whether the ministry has the capacity to meet the terms and conditions of the class timber EA. We await now a decision of the court, because that court case has been heard but there has been no ruling yet, as I understand.

You have the incident today, which I raised and which I will get back to, with respect to federal fisheries and your decision not to enforce that. I firmly believe that a part of the reason behind that is because you don't have the staff available to enforce it.

I am very concerned that although you have put forward a Fish and Wildlife Conservation Act which you hope will protect our resources, the fact again will be that you do not have enough staff on the ground to ensure that's going to happen.

My colleague Bud Wildman, when he joins us next week, will talk to you about his concerns, for example, about the ministry's most recent decision to contract out dealing with nuisance bears. Again, I think that has everything to do with the fact that you don't have enough staff on the ground.

The other point I want to raise is that you said on page 4 that you've been careful to retain a strong community presence, especially in rural and northern Ontario. I have to take exception to that comment. I go back even a year ago to the staff layoffs that took place mid-May 1996 and remind you of the significant hit that communities in northern Ontario took with respect to the reduction in MNR staff in those communities, especially with respect to the number of staff who were laid off in relation to the population in those communities: Atikokan, six staff out of a population of 3,800; Blind River, 15 staff out of a population of 3,900; Chapleau, seven, population 2,900; Cochrane, 22 out of a population of 4,000; Dryden, six out of a population of a little over 6,000; Espanola, 18 out of a population of 5,300; Fort Frances, five out of a population of 8,600; Geraldton, 10 out of a population of 2,400; Hearst, eight out of a population of 5,900; Kapuskasing, 11 out of a population of 10,000; Kenora, 27 out of a population of 9,500; Kirkland Lake, 15 out of a population of 10,000.

The list goes on and on. My recollection of our numbers on this is that between 45% to 55% of the staff who were lost was lost out of northern Ontario, despite the fact that we have a little less than 10% of the population. In those communities, where government jobs, particularly MNR jobs, were terribly important, you, by your cuts, have really devastated any number of those communities, not only in terms of the ability of the staff to protect resources in those areas but in terms of the economic viability of those communities. I take exception to the comment that you have continued a strong community presence in rural and northern Ontario because I just do not believe it to be the case.

I want to turn to two MNR issues that I had the pleasure of dealing with today. The first revolves around the issue I raised with you in question period. I come back to this issue because I was not satisfied with the answer you provided; second, I am not convinced that you understand clearly the serious ramifications or consequences of the decision you've made.

Briefly, as I stated in the House, you have a colleague that your own staff has charged with two violations under the federal Fisheries Act. On August 12 that was reported in the paper. Two days later, your deputy, under your instruction, sent a memo out to all ministry staff and said the following: "MNR will no longer provide fish habitat mitigation advice on behalf of DFO" — that's the Department of Fisheries and Oceans. "MNR will not review or provide site-specific advice on the fish habitat impacts of projects involving work in and around the water beyond the requirements of applicable legislation. MNR will also withdraw enforcement support for the fish habitat sections of the federal Fisheries Act."

As I understand it, this was posted on the environmental registry on Monday. There is 30-day notice period in which there won't be a change to how you operate, but after that I assume your instruction to staff not to enforce this will go into effect.

I have a couple of questions. Can you provide me with information with respect to what kinds of negotiations were going on with the federal government to try and establish a formal process before this action was taken? I'd like to know the number of meetings and I'd like to know who was involved and how recent they were to your decision to take this action. Can you respond or can the deputy respond?

**Hon Mr Hodgson:** Sure. I can help you out there, Shelley. Ten years ago, Ontario went into an informal interim agreement. We've been doing the federal government's job, basically. It's under their jurisdiction, under their act. Unlike the provincial Game and Fish Act, there's no requirement in the Fisheries Act for officers to enforce all of the Fisheries Act all of the time.

It's a question of fairness. This has been brought up and discussed at the Ministry of Natural Resources conference the last number of years. Eight months ago, last fall out at Canmore, the provincial ministers and the federal minister discussed this, and we said either the federal government can do it all or — their throne speech had indicated they were interested in working out new, permanent arrangements to devolve it to the provinces. We said we would have six months to get a final agreement.

Our staff tried to work with the federal government. They, for a variety of reasons, wouldn't discuss it with us. It's well past the six-month deadline. We wrote letters to the federal minister at the time outlining our concern that the deadline was approaching. Two months after the deadline we felt it was necessary to say: "It is the federal government's jurisdiction. If they don't want to make an agreement with us, a permanent agreement, it's time to let them look after it."

#### 1740

Our conservation officers, whom you mentioned today in the House, will still be out in the field. If there are relevant charges to be laid under our Game and Fish Act, they will do so. We're still trying to work this out with the federal government. We're hoping they'll sit down and discuss it. We'll probably inform them of any major violations we see but we won't do anything on it. They can do it, because it's their jurisdiction.

They've worked out agreements with other provinces. We don't understand why they don't want to work out an agreement with Ontario. Maybe you have some insight on why the federal government doesn't want to deal with Ontario, but we fail to understand their reasoning for it. We can only conclude that they want to have total control over their piece of legislation in all aspects, including enforcement.

**Ms Martel:** I'd be the last one to presume to know what the federal government is thinking about. I can tell you, though, that in the five years we were there, when this informal agreement was in place, we never took the step of determining that we would not have our conservation officers enforce the federal Fisheries Act. Clearly, there will be a significant impact on fish habitat if there is no one out there protecting fish habitat.

My concern is the signal you send to people by having this memo go out to staff and having it made public that it's a free-for-all now for anyone who wants to do anything. The memo clearly says that MNR will also withdraw enforcement support for the fish habitat sections of federal fisheries.

**Hon Mr Hodgson:** The federal government can enforce their own act. They do it in other provinces. There are some provinces where they pay the province to enforce it. But as to Ontario, for some reason, they've said, "We don't want to work out an agreement with you on that."

**Ms Martel:** They don't have the staff in place to enforce it. MNR staff —

**Hon Mr Hodgson:** They do in other provinces.

**Ms Martel:** Right now, as we stand, with 30 days left before your folks decide not to enforce this any more, the federal government does not have any staff on the ground anywhere in this province to enforce it. In the last eight to 10 years that I'm aware of, we have done that.

I'm not opposed to trying to have some kind of negotiation around cost-sharing. What I am opposed to is the actions you will take which in my view will have a consequence of having a free-for-all out there for anyone who wants to do anything, with no regard for fish habitat. Surely you must be concerned about this. The federal government, despite what you say, is not in the position to hire staff and have them on the ground enforcing this 30 days from now.

**Hon Mr Hodgson:** We're hoping they'll work out a permanent agreement with us around this issue. It has been eight months. I think we've been more than patient. They seem to have priorities in other provinces, and we understand that, but we think that Ontario contributes a majority of the money. We have a number of issues, right



from the sea lamprey program — certainly around that funding, that's a federal agreement that really affects Ontario waters.

We think there's an obligation which we can work with the federal government around, but if they won't return phone calls or sit down with us over eight months, we think there's a problem. Clearly they want to just control it themselves. That's fine. We're not trying to do a power grab here. If they want to completely have jurisdiction and enforcement over it, that's fine. But our first choice, what we've tried for eight months, is to bring the federal government to the table and get a permanent agreement.

**Ms Martel:** I'd like a copy —

**Hon Mr Hodgson:** It went on for five years. You mentioned that you're aware of the problem.

**Ms Martel:** No, no. I said over the five years, we never made a decision that we would not protect fish habitat. That's the difference. We as a government made a decision that despite whatever was happening around negotiations or lack thereof with the federal government, we were not going to take the step of putting Ontario's natural resources and fish habitat at risk. It seems to me that's the decision you're clearly making.

**Hon Mr Hodgson:** We live in a country that has different levels of government. If it's clearly their responsibility and their authority to do it, there's a duplication there that is unnecessary. It's their responsibility. We care about Ontario's natural resources. In fact, we've done a lot of things to improve it, and we've got community groups involved. The federal government says it's concerned about habitat. It's their legislation. Surely they can either hire people, as you say they need to, or they can pick up the phone and say, "Let's work together to figure out how we can sort this out."

**Ms Martel:** I don't view this is a constitutional issue, try as you might to spin it that way. I think what you're doing is putting the fish resources at risk, and I'm terribly worried about that. I would like to receive from the deputy a listing of, over the eight months the minister refers to, the contacts that were made by the provincial MNR to the federal government with respect to trying to get this sorted out.

The second issue I want to raise — I have a concern about what will happen 30 days from now. Perhaps you can answer what's going to happen 30 days from now if the federal government refuses to sit down at the table, what you intend to do then.

Second, I'm really concerned about the position you are putting your own conservation staff in. It's my understanding that your conservation staff, who would be designated by the federal government as fishery officers, have an obligation to uphold the law, much like a police officer would. My view would be that your telling them not to enforce the law puts them in an untenable position.

**Hon Mr Hodgson:** I can get legal counsel; otherwise, it would just be my word against yours. But clearly that's been explained to the association of conservation officers. They're well aware of what the legal obligations are. Ron,

would you like to explain to Shelley the way the act reads? We'll find out if we can get a legal opinion for you.

**Mr Vrancart:** Fundamentally, the difference here is that our conservation officers have a legal obligation to enforce all of the provisions of the province's Game and Fish Act. However, they do not have a similar legal obligation to enforce all the provisions of the federal Fisheries Act. They clearly have to enforce the Ontario fishing regulations which are passed under the federal Fisheries Act; those regulations mainly deal with seasons, catch and possession limits.

**Ms Martel:** The order in council that I have here — granted, it's dated some time ago, but it's not clear to me that this hasn't changed. It says: "On the recommendation of the Ministry of Fisheries and Environment, pursuant to subsection 5(4) of the Fisheries Act...is pleased hereby to designate conservation officers appointed pursuant to subsection 7(1) of the Game and Fish Act of Ontario as fishery officers under the Fisheries Act while serving in the department of natural resources in the province of Ontario," and that, second, after those people are designated, they are under some obligation to enforce the provisions of the federal act.

**Mr Vrancart:** I'm going to have to take a look at that order in council and look at those specific sections which aren't immediately familiar to me.

**Ms Martel:** The other reference I would use, and perhaps you can have your legal staff check this, has reference to the Criminal Code. Under the reference to the Criminal Code, it has "peace officer," which includes, subsection (e), "a person designated as a fishery guardian under the Fisheries Act when performing any duties or functions under that act, and a person designated as a fishery officer under the Fisheries Act when performing any duties or functions under that act or the Coastal Fisheries Protection Act."

As a peace officer, they obviously have the ability to arrest, to do a search, to seize etc, and they have some specific obligations around that.

I continue to feel, obviously, that they do have some very specific obligations. My concern is that the position you put them in by releasing a memo, which your deputy released on your behalf, to tell them, "Thirty days from now, cease and desist from undertaking your obligation," puts them into a serious legal position as well. I assume they have some liabilities that they assume personally if they don't enforce the law.

**Mr Vrancart:** I can assure you that we checked with our legal department before sending out that memo to staff, and the legal advice we have is that they are not legally obliged to enforce those provisions of the federal Fisheries Act.

**Ms Martel:** Can I get a copy of the legal interpretation? I'm assuming that would include which portions of the federal Fisheries Act they are not obliged to monitor and enforce.

1750

**Mr Vrancart:** I'm not sure we have something in writing, but we will have something in writing for you.

**Ms Martel:** I'd appreciate knowing specifically which provisions they are not obligated to undertake now, and also a list of the various attempts made by Ontario's ministry to work with the federal government over the last six months: the requests for meetings, who they were with, and the number of unreturned phone calls that the minister talked about.

Minister, I think we need to go back to this question one more time: Thirty days from now if the federal government says to you, "We don't feel like negotiating," and your staff do not enforce this, what will you do to deal with protection of fish habitat?

**Hon Mr Hodgson:** It's my belief that the federal government shares our concern and commitment to protecting fish habitat and that within the next 30 days we'll reach an amicable agreement that's to the benefit of the natural resources of Ontario. They have 101 members, Shelley, and I think they care about Ontario. It's just that it hasn't been a priority. I'm sure in the next 30 days it will be.

**Mr Michael Brown:** How much money do you want?

**Hon Mr Hodgson:** We think what's fair and what has happened in other provinces. We just want to be treated fairly.

**Mr Michael Brown:** How much money do you want?

**The Acting Chair:** Ms Martel is doing the questioning at the moment.

**Ms Martel:** I'd be curious about what kind of position you've put on the table.

**Hon Mr Hodgson:** They're together again, dictating the questions.

**Mr Michael Brown:** I used to help you out.

**Ms Martel:** Minister, I'd be curious to know what your position is with respect to the cost-sharing. Do you have a figure you've asked the feds for that they've refused to provide? What would that be in relation to the other provinces where there has been some agreement, as you've suggested?

**Hon Mr Hodgson:** We think if we can sit down and discuss it, we can reach a fair and equitable agreement or an arrangement that will benefit the natural resource management in Ontario.

**Ms Martel:** Can you or the deputy give us some indication of what that cost might be in other provinces and what the arrangement is?

**Hon Mr Hodgson:** We can get that for you.

**Ms Martel:** I would appreciate that.

**Hon Mr Hodgson:** In some provinces the federal government does it 100% on their own, in other provinces it's slightly different, and in some provinces they have agreements that there is compensation for it. We'll get that for you.

**Ms Martel:** Does the federal government collect revenues itself in any of those other provinces on any other aspects of the fishery, through tags, licences, fees etc?

**Hon Mr Hodgson:** We can get you the revenues that come from Ontario as well. By far, it's one of the largest contributors, through the stamp program and other programs in which the federal government receives revenues from the people of Ontario, outside of the general taxation

from Ontario. We're not talking about that issue. We're just talking about the money that's collected from stamps that the federal government gets. Are you familiar with the stamp program?

**Ms Martel:** No, I'm not.

**Hon Mr Hodgson:** If you go out and buy a duck licence or if you want to buy a stamp, that money goes for conservation purposes. There are a number of programs like that through which substantial sums of money are raised in Ontario. We can get you information around that as well.

**Ms Martel:** Thank you.

Let me raise a second issue that we dealt with earlier this morning. I was at the government agencies committee dealing with your appointments to the Niagara Escarpment Commission. I don't think anyone else except Mike was in the room for this, but I must tell you, Minister, when I raised the appointment of Mr Norman Seabrook with you in the Leg on June 23, I did so because I was terribly concerned about his appointment for two reasons: first, because of the apparent conflict of interest I feel he has; and second, because from all his public statements for years gone by, it is clear he is not supportive of the Niagara Escarpment Commission as a commission, the act which the commission operates under, the plan, which is a development plan in place on the escarpment, nor for that matter was he supportive of the UNESCO designation of the escarpment as a world biosphere.

I have to tell you, this morning in the committee, when he was questioned, Mr Seabrook, your appointment, reinforced all of that and more by his own comments. He was asked very specifically whether he supported the UNESCO designation and he said he could not respond to that. I believe it's fundamental for someone who is going to be on the Niagara Escarpment Commission to support that designation. He was asked about his various comments about wanting the commission disbanded etc and did not have a good answer.

At the end of the day, one of your own committee members asked for unanimous consent to defer this appointment. I think that was done because frankly it was so appalling that even your own folks didn't know what to do.

I want to ask you, will you withdraw the appointment of Mr Seabrook to the commission? It was absolutely clear after today's meeting that he does not support the commission, does not support the act, nor does he support the UNESCO designation.

**Hon Mr Hodgson:** I want to thank you for the question in the House as well, because I think it's important that people realize that there are 17 commissioners, that we have appointed a balanced group, and we have an appointments committee that has reviewed some of those 17. I've clearly stated that we're in support of the act, the plan, the commission, that we think the Niagara Escarpment is worth protecting and preserving. In fact, we want to improve how it operates. We think it can do more to garner public approval by better customer service.



There were a lot of local people in primarily rural parts of the Niagara Escarpment who felt that the commission in its customer service was high-handed and didn't respect their viewpoints or didn't give them the time of day or listen to their views. They were so frustrated with that that they said things that people sitting back and removed from it would interpret as, "Well, they don't care about it." I can tell you, there are a lot of local people who care deeply about the beauty of that region. They were just frustrated at the antics of how the commission operated, and they might have said some things.

I'm told that all our committee appointments believe in the act, believe in the plan and believe in the commission. As you mentioned, Mr Seabrook this morning mentioned he couldn't comment on the UN biosphere because he didn't have a lot of information. But that was designated back in 1990. The commission will be dealing with the act and the plan and trying to do the right thing in preserving the natural things that are best about Ontario around the escarpment.

I'm glad to see that the committee process is working. That's what it's there for. If people want more information, need time to discuss it, I would think you'd want us to take the time to get it right, that you wouldn't want to subvert the will of the House or the democratic process and steamroll decisions and ask that they be made or circumvent the committee process. These members on the committee have asked for a bit more time to analyse and to discuss among themselves and then make a reasoned vote next week. I want to thank you for that.

**Ms Martel:** If I might, Minister, your committee members actually moved for him to be nominated; that did happen. But when we got into the discussion of whether he should be nominated, after 40 minutes it was clear that he was such an embarrassment, frankly, and would be such

an embarrassment as a member that even your own members couldn't bring themselves to support that appointment at the end of the day and asked for a deferral.

Mr Seabrook will not provide a balance to the commission. He will not lead to improved operations of the commission.

**Hon Mr Hodgson:** You're trying to put words in the other committee members' mouths.

**Ms Martel:** No, I don't think so.

**Hon Mr Hodgson:** They're capable of expressing their own opinions. They asked for a bit more time.

**Ms Martel:** Minister, you are the one who put the appointment forward, so of course any number of your own committee members will look to you for some advice. I am telling you as clearly as I can that this is not a person who is an appropriate appointee for this position. He does not support the commission. He does not support the act. The fact that he could not say whether he even supported the UNESCO designation and still wants to be a commissioner I think is unacceptable. I am urging you to do yourself a favour.

**Hon Mr Hodgson:** I am told he supports —

**The Acting Chair:** One at a time, please.

**Ms Martel:** Do yourself a favour and have this appointment withdrawn, because it will not do you any good. It will not be to your credit to have him continue, especially after the comments he made in committee today.

**Hon Mr Hodgson:** Shelley, I appreciate that and I'll take a look at it, but I'm told he supports the plan and supports the act and supports the commission. I'll review the transcript from today.

**The Acting Chair:** Members of the committee, it's 6 o'clock. According to the time, the New Democratic Party has two minutes left when we come back next Tuesday.

*The committee adjourned at 1758.*





## CONTENTS

Wednesday 20 August 1997

<b>Ministry of Natural Resources.....</b>	<b>E-947</b>
Hon Chris Hodgson, minister	
Mr Ron Vrancart, deputy minister	
Mr Larry Douglas, director, corporate affairs branch	

### STANDING COMMITTEE ON ESTIMATES

#### **Chair / Président**

Gerard Kennedy (York South / -Sud L)

#### **Vice-Chair / Vice-Président**

Rick Bartolucci (Sudbury L)

Mr Rick Bartolucci (Sudbury L)

Mr Marcel Beaubien (Lambton PC)

Mr Gilles Bisson (Cochrane South / -Sud ND)

Mr Michael A. Brown (Algoma-Manitoulin L)

Mr John C. Cleary (Cornwall L)

Mr Ed Doyle (Wentworth East / -Est PC)

Mr Bill Grimmer (Muskoka-Georgian Bay / Muskoka-Baie-Georgienne PC)

Mr Morley Kells (Etobicoke-Lakeshore PC)

Mr Gerard Kennedy (York South / -Sud L)

Ms Frances Lankin (Beaches-Woodbine ND)

Mr Trevor Pettit (Hamilton Mountain PC)

Mr Frank Sheehan (Lincoln PC)

Mr Bill Vankoughnet (Frontenac-Addington PC)

Mr Wayne Wettlaufer (Kitchener PC)

#### **Substitutions / Membres remplaçants**

Mr Dave Boushy (Sarnia PC)

Ms Shelley Martel (Sudbury East / -Est ND)

Mr Jerry J. Ouellette (Oshawa PC)

#### **Clerk / Greffière**

Ms Rosemarie Singh

#### **Staff / Personnel**

Ms Alison Drummond, research officer, Legislative Research Service



ISSN 1181-6465

## Legislative Assembly of Ontario

First Session, 36<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Première session, 36<sup>e</sup> législature

# Official Report of Debates (Hansard)

Tuesday 26 August 1997

# Journal des débats (Hansard)

Mardi 26 août 1997

**Standing committee on  
estimates**

Ministry of Natural Resources

**Comité permanent des  
budgets des dépenses**

Ministère des Richesses naturelles



Chair: Gerard Kennedy  
Clerk: Rosemarie Singh

Président : Gerard Kennedy  
Greffière : Rosemarie Singh



### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.

---

Hansard Reporting Service  
3330 Whitney Block, 99 Wellesley St W  
Toronto ON M7A 1A2  
Telephone 416-325-7400; fax 416-325-7430  
Published by the Legislative Assembly of Ontario



Service du Journal des débats  
3330 Édifice Whitney ; 99, rue Wellesley ouest  
Toronto ON M7A 1A2  
Téléphone, 416-325-7400 ; télécopieur, 416-325-7430  
Publié par l'Assemblée législative de l'Ontario

## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Tuesday 26 August 1997

Mardi 26 août 1997

*The committee met at 1537 in committee room 2.*

## MINISTRY OF NATURAL RESOURCES

**The Vice-Chair (Mr Rick Bartolucci):** I'd like to call the meeting to order and thank everyone for showing up on time. Thank you, Minister. Again, just to introduce the legislative staff to you, there is Rosemarie Singh, who is the committee clerk; Alison Drummond, who is the research officer; and Maureen Murphy from Hansard. We welcome them and thank them for their efforts.

We are now with the third party and Ms Martel has two more minutes to address the committee and ask questions.

**Ms Shelley Martel (Sudbury East):** Minister, I'd like to know whether the deputy has the discretion to pursue or to drop the charges which have been raised by conservation officers against the member for Lanark-Renfrew.

**Hon Chris Hodgson (Minister of Natural Resources, Northern Development and Mines):** I'm sorry. I didn't catch the question.

**Ms Martel:** Does the deputy have the discretion to pursue or drop the charges which have been laid against the member for Lanark-Renfrew?

**Hon Mr Hodgson:** I'll let you answer that, Ron.

**Mr Ron Vrancart:** Now that the charges have been laid, it's our intent to pursue.

**Ms Martel:** So you don't feel that the memo that's gone out under your signature on behalf of the minister which calls for non-enforcement after 30 days will impact on that court case at all.

**Mr Vrancart:** No, I do not.

**Ms Martel:** And so you will continue to pursue those two charges despite any other action that the ministry is taking around the federal Fisheries Act and enforcement of the act itself.

**Mr Vrancart:** That's correct, and any other charges that may be outstanding, that are in the courts or before the courts or have been laid. We've given notice that in 30 days from the time that we posted it, we'll be out of that business.

**Ms Martel:** Do you think the decision not to enforce the federal Fisheries Act is going to have an impact on the legal proceedings, ie will the court throw the charges out, arguing that the ministry doesn't think the act important enough to enforce any more?

**Mr Vrancart:** I'm not a lawyer. Maybe we can get a lawyer up to give an opinion on that.

Chair, if we could just wait for a lawyer. Shelley, just give us a second.

**Ms Martel:** If I might, Minister, the reason I'm asking the question is my concern —

**Hon Mr Hodgson:** We don't seem to have a lawyer with us right now, but we can get a lawyer to answer that question.

**Ms Martel:** Maybe we can leave the question with you. My concern is that the crown's case will be weakened because of the decision now not to enforce the federal Fisheries Act. I'd be interested in the view of your legal staff around your case now with respect to those violations and non-enforcement of the federal Fisheries Act.

**The Vice-Chair:** Thank you very much, Ms Martel. Could we have an answer to that tomorrow?

**Hon Mr Hodgson:** Yes, we can bring an answer in. Sure.

**The Vice-Chair:** Now the government side or the minister has 20 minutes for right of reply. You remember that last week we used 10 minutes; the minister continued and used 10 minutes. So we'll turn it over to the minister. You have 20 minutes.

**Hon Mr Hodgson:** I'd just like to open it up to questions from the government side, if that's okay, for the 20 minutes. That seems to be the precedent set by the two other parties.

**The Vice-Chair:** Anyone from the government side wanting to ask a question?

*Interjection.*

**The Vice-Chair:** Because it is a right of reply, we'll need agreement from all three parties that in fact he'll use that 20 minutes for questions. Agreed? Agreed.

**Mr Frank Sheehan (Lincoln):** I have a question that concerns me with the growing, I think we'll call it, nuisance of the Canada geese that seem to proliferate. They seem to be a protected species. Then along the same line, what are we doing to help farmers with the deer population, which has expanded to such an extent that it's also causing damage?

**Hon Mr Hodgson:** It's a good question. As you know, Canada geese are under the federal migratory bird act, so that's a federal jurisdiction. But as to the deer problem, or the nuisance deer problem, as it's sometimes referred to, in early 1997 an internal MNR task force was formed to



review the strengths and weaknesses of a controlled deer hunt program and to make recommendations to provide better control over deer populations in areas where agricultural damage was a major concern.

As a result of that report, we recently announced a new approach to the controlled deer hunt that is more responsive to deer populations in agricultural areas. This new approach will increase hunting opportunities. It should look after this problem of deer damaging agricultural crops and also make sure the deer populations are sustainable and not subject to starvation when they get to large numbers.

**Mr Sheehan:** Are you going to permit hunting of antlerless deer?

**Hon Mr Hodgson:** It's more for hunting opportunities around all deer, not just the antlerless. A recent review has developed recommendations that have been passed into law and will be in effect for the 1997 hunting season that will increase hunting opportunities by introducing longer hunting seasons and allowing hunters in some areas to take more than one deer. This is just in areas that have been identified, primarily in southern Ontario, around agricultural areas. More specifically, the expanded archery season will open October 1 instead of October 15 in many controlled deer hunt wildlife management units.

Shotgun and muzzle-loader hunts will now run from Monday through Saturday in many areas. In addition, multiple game seals will permit hunters to take more than one deer in a few wildlife management units. So there are more opportunities and a little longer season for the archery and hunting, a little longer season with the muzzle-loader.

**Mr Sheehan:** You'll be continuing to monitor the population so you can adjust these terms?

**Hon Mr Hodgson:** Exactly. It's based on the inventories that we take to make sure that deer populations are managed in a sustainable manner, but also recognizing that we don't want an overpopulation that runs the risk of disease. Overpopulation can ultimately result in starvation or just nuisance deer that interfere with agricultural crops to a large extent.

**Mr Sheehan:** What is the attitude of the ministry on the subject of scouting out moose by aeroplane? I understand that's a new twist that people have put on the game.

**Hon Mr Hodgson:** I'm sorry?

**Mr Sheehan:** They're actually scouting to find out where the moose are, flying over them, and then they drop the hunters, kind of loading the game against the moose.

**Mr Marcel Beaubien (Lambton):** We don't hunt that way.

**Hon Mr Hodgson:** We've increased the aerial surveys to determine the population of moose and to make sure we have up-to-date data in order to set quotas that can be managed in a sustainable fashion, but it's illegal to hunt by helicopter or aeroplane.

**Mr Ed Doyle (Wentworth East):** Minister, we've read stories in the paper about reduced numbers of conservation officers. I wonder if you could give us an update

on this, exactly what the facts are on that particular matter and what the numbers are.

**Hon Mr Hodgson:** Yes, it's been disturbing to see some accounts in the media around that. The number of badges prior to our government taking office was 281 conservation badges and is today 281. There has been some shifts in where they're located throughout the province, based on demand. Also, the conservation officers association recently met with me and they thanked me for living up to that commitment. They're pleased with the way the program's been changed.

We've allowed for more special units to coordinate provincial enforcement, to make sure that Ontario doesn't become a place where illegal poaching operations can be based. The nature of the crime has become more sophisticated in recent years and we had to adapt to that by getting more specialized units having a province-wide perspective on enforcement. But the number of enforcement badges has not decreased.

We've kept the funding up and we've done a number of improvements around identity packages for the trucks, replacing new trucks, giving better radio equipment, high-tech tools that can be used for better enforcement in the province.

We've also expanded the flying field program. This is where we use aeroplanes to catch poachers that are hiding on the ground or catching animals in an illegal fashion or in illegal quotas.

So there's been some huge improvements around enforcement and that's been recognized by the outdoors community, as well as by the conservation officers association.

**The Vice-Chair:** Mr Doyle. Ed.

**Mr Doyle:** Sorry, I thought somebody else was going to ask a question here. I wonder if the minister could tell us what the ministry is doing to ensure that there are enough funds for parks, for wildlife and forest management.

**Hon Mr Hodgson:** Enough funds?

**Mr Doyle:** Funding, I guess.

**Hon Mr Hodgson:** There's been a couple of improvements that's significantly improved the way we manage our park system and manage lands and forests on it.

First of all, the parks, I'll deal with that. We've created a special purchase account so that every time you go to visit a park or pay the fee to get into a park or buy things inside the park, that money stays within the park system as a whole. That improves the accountability of the whole park system.

It means that managers are accountable for not just the spending but for the revenue collected as well. We want to encourage excellence in our staff personnel. In the old days — I'll give you an example of sort of an unwritten rule — managers were held accountable for the spending of a budget. In the parks system, one of the only ways you can overspend is if people come to the park. They might break equipment or use more supplies and you run the risk of maybe overspending. So there's sort of an unwritten rule that if you want to be a good manager and not get in

trouble, don't overspend, and to make sure that would be easily achieved, don't encourage the people to come to your park. And so you saw a decrease in the advertising. It was an unwritten rule, but you wait till about February and blow your budget so that you get it back next year.

What a special purpose account does is it allows for long-term planning where you can roll the money over, with interest. You can encourage managers to be entrepreneurial or look at the best way to manage the whole park, ask customers how you can improve the service so they will have repeat visits, how to maximize the usage of our parks. As a result, we want to open more parks in this province. We created seven new parks last year. We think the days of closing parks was wrong, that there's a better way to achieve our goals, that parks are supported by a vast majority of the public that see them as part of our lifestyle in Ontario and something we want to pass on to future generations. With our new Ontario parks model, I think we're leading the way for park management around the world. We've had a lot of interest expressed from other provinces and other jurisdictions.

1550

Around how we manage our forests, and specifically around dollars, there are a number of trust accounts that were set up, and credit for that should be given to the past government. The NDP put into place a number of trust accounts where the money goes directly — in some cases directly, in some cases indirectly through third parties — into trust accounts to be used to replace the forests for future generations. That has to be done according to sustainable standards that have been developed. Now there's a huge improvement of forest management in this province.

**Mr Bill Vankoughnet (Frontenac-Addington):** Under the managed forest tax incentive program, I know the ministry has encouraged the stewardship of private lands. However, I'm told recently by constituents that they're having great difficulty in getting seedlings for reforestation of these private lands. They've been encouraged to perhaps plant poplar. That of course is not satisfactory. Has the minister heard of this before? Is he aware of perhaps a shortage of saplings or seedlings for reforestation on private lands?

**Hon Mr Hodgson:** No, I'm not aware of that.

**Mr Vankoughnet:** It's good for beavers, but —

**Hon Mr Hodgson:** Poplar, in our country, grows like a weed, and it does in northern Ontario as well. I'm not sure why you'd have to go out and spend a lot of money to regenerate poplar.

The managed forest tax rebate system was brought in. If you remember, the old program was a rebate and the NDP cancelled that. I don't know the reasons why. I guess it was because it's private lands. We reintroduced that and in 1998 it becomes a permanent part of the property class system. That should allow private land owners to afford to own their land and to pay the 28 cents a seedling from one of the nurseries in the province.

The private sector is developing a capability to grow seedlings and we think that will get better as years go on,

now that private land owners have the tax system that makes it affordable to keep land with trees on it.

**Ms Isabel Bassett (St Andrew-St Patrick):** Minister, when you say we've opened up seven new parks, I wonder about the number of forest fires, how the number compares this year with last year, and what you're doing to protect people who live in threatened areas, as well as protecting forests. Do you have any other plans than the ministry has always had?

**Hon Mr Hodgson:** There are two questions there. Basically, I'll deal with the latter question on the priority of fire protection. There is a well-established priority that human life comes first and then there's a ranking of priorities, from buildings and houses down to forests, and forests are divided up into valuable timber and not-so-valuable timber. The first priority is human safety and human life protection.

The first part of your question dealt with the history of firefighting, how many fires were started and fought this year.

**Ms Bassett:** Yes, the numbers this year compared to last year. The only reason it might be relevant is that it might be a drier year this year, but then when you've added seven new parks, I wondered if there were more people in the area.

**Hon Mr Hodgson:** Ontario dealt with a high fire load in June and a difficult fire load in early August this year. By the end of June, Ontario dealt with over 727 fires. Some 202 of these fires occurred over a 10-day period between June 5 and June 15. The fire hazard was high over the entire intensively protected fire zone and the majority of the fire starts were in northeastern Ontario.

Several problem fires escaped simultaneously in Cochrane and the Timmins area, and these fires tied up a large number of firefighting resources — firefighters, water bombers, helicopters and support staff. These fires were in close proximity to cottages, homes, recreational sites and high-value timber. To respond to the threat, we successfully fought — about \$25 million was committed against the emergency firefighting funds.

July was relatively quiet this year. In August, Ontario dealt with 1,470 fires up to August 26.

How that compares to last year — I just have to get a comparison. We track this stuff every year and it goes back a number of years. Does somebody want to come up and give the comparison? I know we did it.

**Ms Bassett:** Minister, I can get it later. I'm not in a rush. It just seemed —

**Hon Mr Hodgson:** No, it's okay; we've got it right here. We'll do it.

**The Vice-Chair:** Could you identify yourself for Hansard, please.

**Mr Cameron Clark:** Yes, my name is Cameron Clark and I'm the ADM, field services, in the Ministry of Natural Resources.

I just need a second here to locate the exact figures for you. Just to put this thing in context, this year we had a significant number of fires but they were relatively small in acreage. We were very successful in engaging an initial



attack and suppressing the fires early on. So while we had a large number of starts, they were relatively small and the total number of acres burned was not that great.

Last year we had fewer fires generally but they were much larger in area. This was largely the result of a different range of fire indices where we had drier conditions, less humidity for longer periods of time and we had funnel systems moving through northwestern Ontario in particular that produced a lot of lightning. As a result of that, we had a situation where we had fewer fires, but when we did get starts they were considerably larger and the spread was greater. So the total area burnt was greater last year.

I'm just trying to see if I can actually find those figures for you.

**The Vice-Chair:** Cam, while you're finding the information, someone else may want to ask a question.

**Mr Ted Chudleigh (Halton North):** Minister, I can remember the time when Ontario was known as the rabies capital in North America, if not the world. I understand that incidence of the disease has been much reduced. How low is it? How safe is it now? Should people be concerned if there are foxes living in their backyards or in their vicinity?

**Hon Mr Hodgson:** I'll ask David Balsillie to come up and answer that question. The rabies program was one of the great success stories in Ontario and I'd like to give a little credit where credit is due, to his department.

**Dr David Balsillie:** My name is David Balsillie and I'm the assistant deputy minister for science and information resources.

In order to illustrate some of the rabies activities, I might just, if I may, Mr Chairman, ask the members to pass these around to each other. These are —

**Mr Doyle:** I thought you had a raccoon in there.

**Dr Balsillie:** No, there's no raccoon. What is being passed around right now is a bait which has been developed by the Ministry of Natural Resources. For fox rabies, the bait is made up of cod-liver oil and chicken fat, so we ask you not to eat them. Inside that is a vaccine which the fox eats and then is protected against rabies.

**Mr Chudleigh:** How long is the bait good for?

**Dr Balsillie:** The bait is good, as far as I know, for a season, and we rebait every year. We've been doing this for some time. If I might just go back historically, from 1980 to 1989, there was an average of 471 cases of fox rabies in Ontario, ranging from a low in 1984 of 243 to a high in 1986 of 814. I'm very pleased to report that in January to March of this year, 1997, there were no incidences of fox rabies in Ontario.

**The Vice-Chair:** The government's time has expired. We move now to 20 minutes with the Liberals. It's 20-minute rotations now.

1600

**Mr Gerry Phillips (Scarborough-Agincourt):** I appreciate the chance to talk with the minister. In your response that you handed out today you indicated that — the issue I'm talking about right now is the Ipperwash issue — "MNR had indicated on several occasions a willingness to undertake cooperative research and investigations into the

possible existence of an aboriginal burial site in Ipperwash Provincial Park." Could you elaborate on that?

**Hon Mr Hodgson:** There were a number of questions, Gerry, that were asked last week around Ipperwash and today I'm glad to provide you with the answers to the questions you raised in last week's session. They tie in directly with the question you just asked. My staff and I have given careful consideration to your questions and trust their answers will satisfactorily address your concerns.

I'll proceed by reading each question and then providing a response.

**Mr Phillips:** I've got that. I asked a question on the response. Could you respond to the question?

**Hon Mr Hodgson:** I just want to read into the record the questions so the people who are listening to the radio or voice audio of this will understand where I'm coming from. I'll begin with questions concerning the Ministry of Natural Resources and Ipperwash Provincial Park. I'll provide you with answers to those questions; however, I'm not in a position to discuss details related to the occupation of Ipperwash Provincial Park.

**Mr Phillips:** I don't mean to interrupt, but we have the answers. We're on to a question now and I wonder if we might get a response to my question. Is that proper, Mr Chair?

**Hon Mr Hodgson:** I was asked to respond at the committee last week on these questions.

**The Vice-Chair:** Mr Phillips, I see no problem with the minister responding to your question. At the same time, Mr Brown, if at some point during this you will allow the minister to read those responses that you asked for into the record.

**Mr Michael Brown:** Is it necessary to be read into the record? Can't we just table them as part of the committee's record?

**The Vice-Chair:** What we can do, the clerk tells us, is we can mark it as an exhibit and therefore it doesn't have to be read into the record.

Mr Phillips, you had a question.

**Mr Phillips:** Yes, just on one of the answers, to re-ask the question. The answer was, "MNR had indicated on several occasions a willingness to undertake cooperative research and investigations into the possible existence of an aboriginal burial site in Ipperwash Provincial Park." My question to the minister is, can you elaborate on this? Was this over a one- or two-year period, and can you indicate why there wasn't either a cooperative research or why the ministry itself didn't conduct the research?

**Hon Mr Hodgson:** There is a history to this that I would have to get back to you to table a specific answer. Mr Phillips, as you can appreciate, the park was purchased a long time ago and over that long history there's been a lot of discussion, a lot of records. We'll have to get back to you on that.

**Mr Phillips:** Do you have the dates, or does staff have the dates on when those several occasions were?

**Mr Vancart:** I'm sure there were many, many occasions when there were discussions between the park staff

and the first nation with respect to the burial site. I know for sure that in the early 1970s, around 1972, there was an archaeological study done in Ipperwash park as a part of the park master planning process and at that time — and admittedly it was a cursory archaeological survey — there was no evidence of a burial site identified.

The next time that I'm aware of discussions taking place with respect to investigations into a possible burial site was at the time that, I believe in the fall of 1995, there was a memorandum of understanding signed between the first nation and the federal government with respect to the terms and conditions under which Camp Ipperwash would be transferred back to the first nation. In that memorandum of understanding there was an item whereby the federal government agreed to fund an investigation into the possibility of a burial site at Ipperwash park.

When we were made aware of that particular item, we as a ministry agreed to cooperate fully with the federal government and the first nation in undertaking any such investigation. To this point we have not had any request from either the federal government or the first nation to embark on such an investigation.

**Mr Phillips:** I gather it was from communications from the federal government to the provincial government on the possibility of a burial site there. When did the ministry finally discover that, and how did you discover that?

**Mr Vrancart:** I believe there was a letter that surfaced in the federal government back in 1937 that was a communication between the deputy minister of Indian Affairs federally and the deputy minister of lands and forests at the time indicating that there was evidence of a burial site in the park and asking that it be protected in the park development.

**Mr Phillips:** Was that letter in your files?

**Mr Vrancart:** I think we were subsequently able to go back into the archives and dig that letter up.

**Hon Mr Hodgson:** And find a response.

**Mr Phillips:** Pardon me?

**Mr Vrancart:** And to find a response as well.

**Hon Mr Hodgson:** Back to the federal government.

**Mr Phillips:** I'm sorry, what?

**Hon Mr Hodgson:** And find a response back to the federal government at that time.

**Mr Phillips:** You didn't find a response?

**Hon Mr Hodgson:** There was a response. That's what I'm told, but we could get the specifics to you.

**Mr Phillips:** Is there a reason why you wouldn't have found that communication? I assume, based on your comment, that this issue had been raised several times before the confrontation in September 1995. Is there a reason why the ministry wouldn't have been able to locate that file?

**Hon Mr Hodgson:** There was an investigation done in the early 1970s. There was a recognition of it. There was also a recognition that a burial site is not a land claim, that they're two separate issues, as you're well aware. Land claims have a separate process and one has never been applied for there; even to date it hasn't been. We've offered in the last year and a half to help with that, with the

forms that are required. The burial site itself had an investigation done in the early 1970s and there was correspondence, as Ron mentioned, back in the 1930s between the two ministries. We can get you those letters, if you'd like.

**Mr Phillips:** Yes, that would be helpful.

Just, I guess, a couple of other questions. The Ministry of Natural Resources — and this is a little bit technical — decided to seek an injunction. That was your preferred course of action, but for some reason or other you chose an ex parte injunction as opposed to what the lawyers had told the judge you were going to do.

Just to set the stage, the judge was told on September 6 by government lawyers that you would be in court on September 7 seeking a normal injunction, not an ex parte injunction, and when you arrived in court the judge was surprised it was ex parte. The reason it's important is because that denied the first nations the right to appear at the injunction hearing and to state their case on the burial grounds. It's conjecture, but had they been at the injunction hearing, the first nations may very well have been able to convince the judge that they had legitimate grounds to be in the park, which subsequently, by the way, the government was forced to acknowledge. You had to drop virtually all the charges because the court — you, the government, determined that they had what's called the colour of right.

So you had the lawyers telling the judge on September 6 it would be a normal injunction, but showing up in court the next day asking for an ex parte injunction. As I say, the judge was quite surprised. Who made that decision to move to an ex parte injunction, when apparently the lawyers were telling the courts the day before it was going to be a normal injunction?

**1610**

**Hon Mr Hodgson:** My understanding is you would have to ask the Attorney General those types of questions, the OPP, the Solicitor General or the Attorney General.

**Mr Phillips:** It does say that it was the Minister of Natural Resources seeking the injunction.

**Hon Mr Hodgson:** Once the park is occupied, it becomes an Attorney General, Solicitor General and OPP matter, not a matter for our ministry. Once that occurrence happened, we phoned the AG and the Solicitor General, and there is a process that kicks in at that time. They make those decisions.

**Mr Phillips:** That will be interesting. So the Ministry of Natural Resources had no say in whether it would be a normal injunction or an ex parte injunction?

**Hon Mr Hodgson:** Not that I'm aware of.

**Mr Phillips:** The minutes of September 6 also say — I'm speaking now of the minutes of the emergency planning for aboriginal issues. It was agreed that MNR as the park's owner and steward will continue to be the ministerial spokesperson regarding the occupation, and MNR will develop a communications plan with main messages as follows: "The AG has been instructed to seek an injunction ASAP." So somebody instructed the AG to seek an injunction. Then it goes on to say, "The police have been



asked to remove the occupiers from the park." Who actually made that request of the police?

**Hon Mr Hodgson:** These matters are before the court in most cases. In the other cases, your questions probably should go to the Attorney General. He can probably give you an answer.

**Mr Phillips:** So even though MNR had responsibility for this.

**Hon Mr Hodgson:** They had responsibility for the park, but once it becomes a policing issue, it's not a question for the ministry that looks after the parks and the trees.

**Mr Phillips:** So it wasn't MNR that asked the police to remove the occupiers from the park?

**Hon Mr Hodgson:** To use an analogy, Gerry, if your house was broken into, you would phone the police; you wouldn't direct the police how to get your house back. Maybe it's not even your house, but you would contact the police and they would do what's within the law. Politicians cannot and should not direct OPP.

**Mr Phillips:** That's exactly right, so why did they? Who asked them to remove the occupiers? You took away the option to negotiate with them, but they had been asked to remove the occupiers from the park, and the previous minutes say "ASAP." It wasn't that the police had been asked to deal with this matter; they had been asked to remove the occupiers.

**Hon Mr Hodgson:** Like I pointed out before to you, Mr Phillips, with anything to do with the occupation, we've been told by our lawyers that it's a matter before the courts and we're not in a position to discuss it. I would suggest you talk to the Attorney General, like you have been doing in the House.

**Mr Phillips:** I realize how difficult this is, but we're having difficulty getting answers on these things and we go wherever we can try and find an answer. From reading the minutes, it looks like — and this is your direction: "The minister wants to act as quickly as possible." It goes on to say, "Police have been asked to remove the occupiers from the park." Somebody instructed the police to do something, and I'm just trying to find out who instructed them. It wasn't you, I gather, so it has to be one of the other two ministries, I guess. You're saying it was not the Ministry of Natural Resources that asked the police to remove the occupiers.

**Hon Mr Hodgson:** That's correct. I don't think anybody directed the OPP how to carry out their functions. It certainly wasn't the MNR, and that's your direct question, but it's like these rhetorical questions go around and around. I'm just telling you, from our point of view, we did not direct the OPP, and I'm not implying that anybody else did either.

**Mr Phillips:** To go back to the injunction, the OPP were surprised when the government chose to seek an ex parte injunction rather than a regular injunction. The commanding officers, as you know, said, "That kind of surprises us, because that's not what we had" — I'm paraphrasing — "expected or thought was going to happen."

**Mr Bud Wildman (Algoma):** It would put them in a difficult position.

**Mr Phillips:** It put the judge in a very difficult position. He had been told to expect a regular injunction, and he, in his remarks, was quite surprised to find that the government came to court seeking an ex parte injunction.

The reason I raise this is that perhaps those decisions accelerated the tensions at the park, and I'm trying to find out who made those decisions. Can you tell us who made the decision to seek the ex parte injunction instead of the regular, normal injunction?

**Hon Mr Hodgson:** I can't tell you who did, Gerry. I don't know. It's beyond my jurisdiction. I can tell you that the Ministry of Natural Resources asked for an injunction. What type of injunction is required is an Attorney General decision; it's not our ministry's decision.

**Mr Phillips:** Was it clear to you — I realize my colleagues have other questions in other areas — when you were briefed about the situation on the 4th and 5th that one of the reasons the first nations said they were in the park was that they believed there was a burial ground there?

**Hon Mr Hodgson:** What was clear to us at the time was that there had been problems with the military base beside the park, which is the federal government's land. The federal government promised — this is just my recollection of two years ago — to work with the first nations and do an environmental cleanup so the military base property site would be safe for people to walk on and enjoy. They were dragging their feet and this had gone on for a long time. The federal Liberals were unwilling to help the first nation with their legitimate claim against the military base, and some people were frustrated with this. That's what I recall back a couple of years ago from my memory.

**Mr Phillips:** I'm sorry, but I said when you were briefed, were you told that one of the reasons they were there was that they believed there was a burial ground there?

**Hon Mr Hodgson:** I can't remember that.

**Mr Phillips:** Why did you think they were there, then?

**Hon Mr Hodgson:** We were aware of the situation that was going on with the federal government, where the first nation had a problem with the inaction of the federal government around issues on the military base beside the provincial park and that there was a great deal of frustration around that issue. I recall that quite vividly because that had been going on, it was in the news. You are probably more aware of that than me.

**The Vice-Chair:** Mr Phillips, that exhausts the 20 minutes of Liberal time. We'll move to the third party.

**Mr Wildman:** I appreciate the opportunity to participate in the estimates of the Ministry of Natural Resources, which I think those of us from northern Ontario would all agree is — or should be — the most important ministry of the government in our part of the province, along with the Ministry of Northern Development and Mines.

There was a time when people referred to "the ministry" in northern Ontario and everybody knew when you

said "the ministry" that meant the Ministry of Natural Resources. In many communities, the ministry was the provincial government as far as the people in the community were concerned.

I'm concerned about the current ability of the ministry to meet its obligations, so I'd like to use the time allocated to me to ask about a couple of issues; three, actually.

First, I'd like to follow up on what my colleague has just now been asking about, and that's Ipperwash. I can't think of the official designation of the interministerial committee, but the colloquialism was "the blockade committee," so I'll use that term. I would like to know if this committee continues to be operative and how often it meets with regard to the Ipperwash situation, which is ongoing. This committee involved the Ministry of Natural Resources, as we all know, the Ontario Native Affairs Secretariat, the Solicitor General, the OPP, the Attorney General and other interested ministries.

Could the minister indicate, if this committee is still operative, does it meet? I'm not asking him to tell me what has happened in the committee, but just if they are continuing to have discussions re the Ipperwash situation.

1620

**Hon Mr Hodgson:** I don't know the specifics on that, Mr Wildman. If I could get back to you on that I'd appreciate it.

**Mr Wildman:** Okay. I would think that if the committee were continuing to operate we would know, but let me put it this way.

**Hon Mr Hodgson:** No, there was more to your question than that.

**Mr Wildman:** I won't belabour this, because there will be other venues where we can raise these issues, but as I understand it from what I've read from the minutes that have been published, discussions in the media publicly and my discussions with various officials, the Stoney Point people, the occupiers, entered the park as the park was shutting down for the season and they were met by park officials, Ministry of Natural Resources personnel. They were not barred. They were informed how to operate the water system. That approach seems to be quite different from the approach that was taken only a couple of days later which led to the shooting death, the wrongful death, of Dudley George.

First, is my understanding of the ministry's park officials' approach at the time of the occupation correct? If so, could the minister indicate what led to the changes in approach that led, at least helped to lead, to the confrontation which resulted in the death of Dudley George?

**Hon Mr Hodgson:** First of all, anything to do with the occupation itself or the blockade I can't talk about because it's before the courts. But I can explain to you about the pumphouse. That was prior to any occupation. The pumphouse located on the park property provides the water for the military base that the federal government owned. When they took over the military base, the Stoney Pointers or whoever, they wanted to be able to run the water system, to make sure the water wasn't cut off and

was working. Our officials made sure they knew how to run the pumphouse. That was prior to any occupation, and that had to do with water for the military base.

**Mr Wildman:** Thank you. As I understand it, the former Minister of Indian Affairs, Mr Irwin, went to the occupation and produced the correspondence of 1937 at that time. He handed it to the aboriginal people who were in the park. That was quite public, it was on TV. Since that time, what correspondence has the Ministry of Natural Resources and/or the Ontario Native Affairs Secretariat had with the federal Department of Indian Affairs and Northern Development with regard to the documentation that was in their archives, which they discovered, from 1937?

**Hon Mr Hodgson:** I'm not sure, Mr Wildman. I can tell you that I was told there was a response to that letter that, you correctly point out, the federal Liberal cabinet minister went down and waved. He also made some promises around the military base at that time as well. It was quite public.

**Mr Wildman:** There is a federal promise — that actually dates back to the Tory federal government — that they will in fact return the base. The issue is around the cleanup, which will cost several millions of dollars, and nobody has indicated they are prepared to do that. That's something outside of our concern here.

**Hon Mr Hodgson:** At estimates.

**Mr Wildman:** I would be interested if you could let me know what further analysis the ministry has done — beyond the archaeological findings which disputed the existence of a burial ground, done in 1972, to which Mr Vrancart referred — either this ministry or I guess maybe ONAS, but it would more normally be this ministry, of the documentation that was produced by the federal officials to determine whether this government accepts that there may in fact be a burial ground where the Stoney Point people claim there is.

**Hon Mr Hodgson:** We've offered to do joint discoveries with them on the site. I know you're aware that a grave site is different from a land claim, that you're quite cognizant of that.

**Mr Wildman:** Yes. Under the Cemeteries Act, under I think the Ministry of Consumer and Commercial Relations —

**Hon Mr Hodgson:** That's right, David Tsubouchi.

**Mr Wildman:** — it's quite clear that if there is an aboriginal burial ground there is a requirement that I think the closest first nation be consulted with regard to how that land is to be protected.

**Hon Mr Hodgson:** We've agreed with that and made offers to all interested parties that we'd be willing to do that in conjunction with them or on our own or however they would like to proceed with that.

**Mr Wildman:** Okay. I'll be raising these issues in other places, but since I don't have a great deal of time before the committee I would like to raise a couple of other issues.

As Mr Vrancart knows, I had correspondence with him in the spring regarding the timber management EA that



was completed and a number of conditions in that EA, one of them being condition 82, that there be an annual report of the ministry's success in implementing the timber management EA and its conditions.

The deputy did write to me after I had some further discussions with officials. His assistant deputy, Ms Beggs, had indicated to me that the report for 1995-96 was being finalized. The date of the letter is April 16. I realize you might want to fine-tune things, but it is now August 26. So, April 16 to August 26: Where is this report?

**Hon Mr Hodgson:** Thank you very much for your question, Mr Wildman. I'd like to ask Gail to come up. Gail's an assistant deputy minister. She'll introduce herself, and I know she'll be glad to tell you all about the progress she's making on this.

**Ms Gail Beggs:** Good afternoon, ladies and gentlemen. My name is Gail Beggs. I am the assistant deputy minister for the natural resource management division in the Ministry of Natural Resources.

Mr Wildman, I can't answer your question directly, where the report is. In the last discussions I had with staff on the report, they were still finalizing the report. I suspect the delay between April 7 and August 26 is in part a result of our staff being involved in a court case around the timber EA and spending time on that court case and subsequently having taken some summer holidays. Tomorrow I can address the committee and give you a response on when you might expect the report to be out.

**Mr Wildman:** Okay. I am looking here at the terms and conditions. It's a document I've memorized. It refers to appendix 20, which is on page 527, the part I'm referring to, and it indicates that there should be progress reports on scientific research, technical development programs and policy development programs related to a long list of conditions.

**Ms Beggs:** That's correct.

1630

**Mr Wildman:** I'm wondering where those are.

**Ms Beggs:** We do file progress reports with the Ministry of Environment and Energy.

**Mr Wildman:** Are those public documents?

**Ms Beggs:** They would be public documents. I don't think we publish them. They are available to the public.

**Mr Wildman:** Are they published on anything like the electronic billboard for the Environmental Bill of Rights?

**Ms Beggs:** I don't believe we publish them. I don't know if the Ministry of Environment publishes them. I can check with the Ministry of Environment tomorrow and also answer that question, if you'd like.

**Mr Wildman:** Okay. In regard to condition 77, which was one of the central issues I was referring to in my correspondence with the ministry, there was a draft protocol prepared within the ministry for implementing condition 77, or the timber management EA. That was not followed through with. I understand under the terms and conditions, district managers have the responsibility for ensuring compliance with condition 77. That's one of the reasons I was interested in getting the annual report, be-

cause in that it will indicate the tremendous progress that MNR is making with regard to implementing condition 77.

I'm referring here to condition 113, where it says, "The first year shall be deemed to start the day that this decision is received by the Minister of Environment and Energy." Also, "All other terms and conditions shall come into force as provided in these terms and conditions of approval." It would seem to me that you are in violation. If you're supposed to be providing an annual report and you're now more than a year from the time this matter came into force, the ministry is not complying.

**Hon Mr Hodgson:** Do you also want Ron to answer that?

**Mr Wildman:** I want to know whether you are in fact in violation. You are not complying with the terms and conditions of the timber management EA.

**Hon Mr Hodgson:** Obviously, Mr Wildman, it is our intent to live up to the terms and conditions of the Environmental Assessment Act. I'll check into it and get back to you. It is my understanding that we are in compliance and I'll report back to the committee on that.

I can tell you, though, when you're talking about the terms in condition 77, and you mentioned that —

**Mr Wildman:** The 1995-96 report is not available. It's still being finalized. This is getting past the middle of 1997. I'm talking about the 1995-96 report.

**Ms Beggs:** We've been in court over whether or not we are in compliance with both the conditions of the class timber environmental assessment and the Crown Forest Sustainability Act. It is the ministry's position that we are in compliance.

**Mr Wildman:** I know your official position in court; I'm not trying to raise the issues that have been raised in court. But if the annual report is not available and it's more than a year — I'm not trying to play lawyer here but it just seems obvious to me.

**Ms Beggs:** I can't answer you whether that particular term and condition meant that it needed to be available on a specific date, Mr Wildman. What we could do is have someone here tomorrow who could address that question, who is more familiar with the 115 terms and conditions and the numerous pages in the appendices than I am, because we're at a technical level of detail.

**Mr Wildman:** Okay. On page 455 of the terms and conditions, it says, "MNR shall report on the progress of these ongoing negotiations district by district" — the ongoing negotiations that are referred to are the negotiations with first nations for the implementation of condition 77 — "in the annual report on timber management that will be submitted to the Legislature"; not to the Ministry of Environment but to the Legislature. "Ongoing" seems to mean to me that something is happening at a negotiating table or a number of them in various districts.

**Ms Beggs:** That's true.

**Mr Wildman:** "Ongoing" means that you meet on an ongoing basis. So I would like to get a progress report, which is required as per page 455 of the terms and conditions.

**Hon Mr Hodgson:** Okay, we'll get back to you on that, Mr Wildman.

**Ms Martel:** Can I add to that? The reason we're raising this, particularly with respect to condition 77 — and I'll raise some of the other reports that MNR should have tabled by now which have not been tabled, which leads me to wonder about staffing levels in the ministry and your ability to deal with your obligations, Minister.

Particularly around condition 77, you were the one who set the government on a policy to convert the crown management units into sustainable forestry licences. You have a time line around that, which as I understand it is the end of 1997, the beginning of 1998. We have a number of first nations that have directly raised concerns with your district managers or you about not being involved in the process of that conversion and not being allowed to participate in any of the benefits. But the EA very clearly directs district managers to lead those negotiations; not to tell the first nations to contact the forestry companies, but to be specifically a part of the negotiations to ensure that first nations get some benefits.

We do not have the annual report, we have no idea what's happening to first nations, but at the same time we do know that your staff is working as hard and as fast as they can to convert those crown management units to sustainable forestry licences. Our concern is that first nations right across the province are being left out of the process, left out of the benefits, which is contrary to the terms and conditions in the EA, specifically around 77. That's why there's some urgency about getting this annual report. That's why we're frustrated. It's been some number of months since my colleague last corresponded and still no annual report. We didn't think that "as soon as possible" meant the end of the year; we thought it meant soon after April 16.

**Hon Mr Hodgson:** The conversion to sustainable forest licences does not involve a reallocation of resources. That's a question of who is responsible for paying for the regeneration of the forest. Should it be the taxpayer or should it be those who make a profit from the forest?

**Mr Wildman:** The question is, will the first nations make any profit from that?

**Hon Mr Hodgson:** Through the SFL negotiations, and I think you're aware of this, district managers are requiring potential licencees to have detailed discussions with the first nations adjacent to forest management activities. In some cases greater involvement in harvesting of silviculture is the result. Where there's been no gain to date, it can be for a number of reasons, including opportunities not being compatible with the adjacent first nations' capability or lack of available opportunity in the standard of harvesting and tending activities. Some first nations are unwilling to engage through a contract or an overlapping licence and are looking for a means of asserting what they consider to be a treaty right. Other —

**The Vice-Chair:** Thanks, Minister.

**Hon Mr Hodgson:** Well, it's a complicated issue. I'll defer to you, Mr Chair.

**The Vice-Chair:** The time has expired, so we'll move to the government.

**Mr Wildman:** I would just close off.

**Hon Mr Hodgson:** If he can close, I should be able to finish my answer.

**The Vice-Chair:** Your time is up.

**Mr Wildman:** In my view, negotiations are not detailed discussions. That's not my definition of the word "negotiation."

**The Vice-Chair:** Your time is up, Mr Wildman.

**Hon Mr Hodgson:** They get to speak and I can't finish the answer.

**The Vice-Chair:** We'll go to the government side for their 20 minutes of questioning.

**Mr Beaubien:** My question may seem to be trivial compared to the questions I had before. I would point out for the record that my constituents still have concerns with regard to the Ipperwash issue. However, I also have constituents who have concerns with other issues and one is with regard to moose tags. I have many complaints in my constituency with regard to —

*Interjection.*

1640

**Mr Beaubien:** Unless you don't want to talk about moose tags today, but it does come under your jurisdiction. Could you explain to the committee how a person qualifies or is able to be a successful candidate to obtain a moose tag?

**Hon Mr Hodgson:** Do you want a detailed explanation that you can send out?

**Mr Beaubien:** Yes.

**Hon Mr Hodgson:** Okay.

**Mr Wildman:** I think it's called the luck of the draw.

**Mr Beaubien:** Yes? Well, some people haven't been lucky in the past five years.

**Hon Mr Hodgson:** There's a lottery system that's in place and right now the fundamental issue is that we have more hunters than we have moose that are allowed to be harvested on a sustainable basis. To make it so that it's fair, it's based on a management unit area, after an inventory is done, to determine how many moose can be sustainably harvested without affecting the population for future generations. The harvest number is divided into pools, like a lottery system. You can apply in a group or you can apply individually.

We'll get someone who's an expert on this to explain it in more detail so that you have a precise answer for Hansard and for the people back home. David Balsillie, would you like to talk about the moose tag draw?

**Mr Balsillie:** No.

**Hon Mr Hodgson:** No?

**The Vice-Chair:** Who from the staff does?

**Hon Mr Hodgson:** Gail, would you like to talk about the moose tags in detail, on how the pools are divided up?

**Mr Michael A. Brown (Algoma-Manitoulin):** Get someone from the Ontario Lottery Corp.

**Mr Wildman:** When it first started, you had to be 55.

**Hon Mr Hodgson:** It's a first question though, Marcel. This probably has more interest than any other issue



in politics, the moose tag draw. We had a study under way last year to get some consultation on this because there's a lot of dissatisfied hunters out there who feel that the system should be improved, so we're consulting and we'll continue to consult all fall on it.

**Mr Beaubien:** It seems there is a disparity in the system, because I have talked to quite a few constituents whereby they have pooled their licences, and for the past seven to nine years they have not been successful in obtaining one tag. Sometimes I wonder. Sure, it's the luck of the draw and I understand the rationale behind the lottery system, but there must be some type of equity or balance in the system. I know that tags have been reduced again this year.

**Hon Mr Hodgson:** Thank you very much, Marcel, and Gail, I'm sorry. I think we can get Marcel a more detailed answer on how it's carried out. I share your frustration, and the frustration of your constituents. What we're trying to do is take the uncertainty around the system and try to give it as much certainty as possible.

We had a review last year that was carried out by George Simmons. He held public meetings right across Ontario, and his report outlines a couple of options maybe to improve that. I want to consult with hunters this fall through the federations and through just people who receive a hunting licence or an outdoors card on how they feel we should improve the system. Through that consultation process there are some options, and one of the options might be that you give some certainty around a group application. You'd know in the spring how many you'd need in a group to get a guarantee to have one tag. Other options are a wait-in-line system, or to just improve the lottery system with more information around it. We're taking our time on this to try to get it right. It's a complicated system. We want to make it simpler but fairer for people who enjoy the outdoors and hunting moose in this province.

**Mr Chudleigh:** Minister, you got halfway through my rabies answer. I was going to ask about racoon rabies.

**Hon Mr Hodgson:** I'll tell you, I was very appreciative that you asked that question, Mr Chudleigh, because I was just getting into that topic myself and Mr Balsillie would like to come back up and finish his answer for you, I'm sure.

**Mr Wildman:** There are certain members of the House involved.

**Hon Mr Hodgson:** David, I'm not sure if Mr Wildman was here for this, but maybe you could pass a sample out.

**Mr Balsillie:** Do you want the samples again?

**Hon Mr Hodgson:** I think Mr Wildman would like to see the samples.

**Mr Wildman:** Actually, I have to go up to the House, I'm sorry. I'll be back.

**Hon Mr Hodgson:** This is educational, Bud. You'll learn something here.

**The Vice-Chair:** Okay, David, are you ready to answer the question now?

**Mr Balsillie:** Thank you, Mr Chairman. Once again, I'm David Balsillie, science and information resources

division. We are very concerned about the spread of racoon rabies through the northeastern United States. It has moved up very close to the border along both the Niagara and the St Lawrence rivers. We have instituted a program of what we call "trap, vaccinate and release" to create corridors of protection along those areas on the Ontario side of the border in order to trap racoons, to vaccinate them and to release them so that if they were attacked by a rabid racoon that had crossed the border, then they would be immune from the disease.

This, so far, has been very effective and we haven't had a case of racoon rabies in Ontario. We have a major problem, though, because there are large numbers of racoons in Ontario and if racoon rabies were to get into the province, it could spread very quickly. The emergency program that we put in place is to work with local officials at the municipal level to put in an immediate plan if there is a racoon rabies incident detected, in order to contain that outbreak in Ontario so that it doesn't spread anywhere.

We have a problem with racoons that can climb over bridges, racoons that get on to transport trucks — we call them "hitchhikers" and they move long distances — so we're watching the border as closely as the customs are to make sure that racoons are not entering the province. We are working with colleagues in research to develop a racoon oral vaccine which is cheaper than the one we have at present. The vaccine which goes into the racoon bait is about 75 cents a bait, whereas the fox vaccine is only about eight cents per bait, so you can see that the cost of dropping a large number of racoon rabies baits would be very expensive.

We're also working with New York state and Cornell University in experimental programs to try and reduce the amount of racoon rabies in the state of New York so that the actual threat to Ontario is extremely reduced. We're attacking this problem on a number of fronts: in terms of the trap, vaccinate and release; in terms of having local emergency contingency plans in place so that local officials, supported by the province, can contain an outbreak of racoon rabies very quickly; and we're working with New York and Cornell and also actually with Vermont and other states in New England because it's also getting very close to the province of Quebec.

In a nutshell, that's the program that we have in racoon rabies, and I'd be pleased to answer any other questions.

**The Vice-Chair:** Any other questions from the government side?

**Mr Doyle:** I wonder if I could I get a little more information about this. I was interested in the bait program. The bait itself, does it do anything else for the racoon other than protect against rabies? Or is it harmful in any other way, for example?

**Mr Balsillie:** No, the vaccine for both the fox and the racoon rabies strain is specific for protection against rabies. It's not unlike you getting a shot against measles or chicken pox or whatever.

**Mr Doyle:** Okay. Now, why are the two different? Is it because they have different diets?

**Mr Balsillie:** No, the strain of the virus is different between the fox strain of rabies and the racoon strain of rabies. So the one strain is different from the other.

**Mr Doyle:** This may seem like a silly question, but how do you know that the fox will eat the fox bait and that the racoon will eat the racoon bait?

**Mr Balsillie:** You don't.

**Mr Doyle:** I see.

**Mr Balsillie:** So in certain cases you would be double baiting, but in our case we're baiting only in Ontario for fox at the present time. We don't drop baits for racoon rabies because we don't have racoon rabies.

**Mr Doyle:** Oh, I see.

**Mr Balsillie:** But in New York state, we're dropping for racoon rabies. The baits are dropped by aircraft which has been especially outfitted through MNR. Through our association with Queen's University, they've developed a very specific flight path for covering large areas and getting full coverage of the area. The baits are dropped out of the aircraft in rural areas. In urban areas the baits are distributed by hand up and down the valley corridors of the cities from Oshawa through to Hamilton.

1650

**Mr Doyle:** The reason I ask is because I live in a rather open area and have quite regularly seen fox and racoons. I think I've got a racoon living in my garage, which kind of cheeses me off. I don't want to fight with it.

**The Vice-Chair:** Any other questions from the government side? You have some time left. Anybody else?

**Mr Chudleigh:** Watching the fish stocking take place in Lake Ontario, the coho salmon specifically, which has been ongoing now for some years, obviously one of the problems is making sure there's enough food in Lake Ontario to support the salmon that we release. Over the last number of years, the number of cormorants have mushroomed, I think, increased greatly in Lake Ontario. I understand that they feed off the same bait fish.

There's an increasing number of loons along the north shore of Lake Ontario which feed off the same bait fish again. How closely do we monitor those stocks of bait fish to make sure, when we're stocking the fish in Lake Ontario, that there will be enough food there for them to live off of being a large bonus to the sport fishing industry?

**Hon Mr Hodgson:** Just give me a second and I'll get the precise answer. In a general sense, we base our efforts on science. We have some of the best biologists in the world. We analyse within the boundaries of science what we think are the odds that this will be a successful program. We also have public consultation to find out what anglers think about it, because they're in the water. We've had a fairly successful stocking program in this province for many generations.

We want to improve that. In the late 1980s we had a better fishery than we do now in Lake Ontario, but it's coming back. The fact that we have more loons and more wildlife is a sign that our natural resources are probably in better shape than they were 10 or 20 years ago. The toxins around — DDT for instance — threatened and made a

number of species extinct or vulnerable, and they're coming back. The water quality is coming back.

The lake has changed a bit with the introduction of zebra mussels. Some of the balances are changing, but we have the best biologists in the world, we feel, and we work in cooperation with United States biologists around the Great Lakes, Lake Ontario in particular. We want to return Lake Ontario to the great fishery it was in the late 1980s by stocking salmon and we feel that's sustainable in terms of angler opportunity. We monitor the feed in the bait fish and other species as well.

**Mr Chudleigh:** They're seeing sightings once or twice a year of bald eagles in the area as well, so it's an indication that things are coming back.

**Hon Mr Hodgson:** They are. We've got a family close to where I live up in the Haliburton area that is quite impressive. I was up on Lake of the Woods this summer and saw pelicans. There are a number of families of pelicans around. We have a great province that people sometimes take for granted. But it's getting better each year.

**Ms Bassett:** Minister, since I'm new to this committee just today, perhaps you could just walk me through the Rabies Advisory Council, which is in the estimates briefing book on page 11. First of all, I'm just looking at the estimates. Is this \$10 million or \$10,000, or what are we talking about here?

**Hon Mr Hodgson:** Those are thousands.

**Ms Bassett:** Thousands or millions?

**The Vice-Chair:** I think he said thousands.

**Ms Bassett:** I know the actuals of 1996-97 are only half that and I wondered why the estimates would be doubled. I don't know whether this is for the council or this is — what does it do? Since we're asking about everything, it would be interesting to know, since everybody's here.

**Hon Mr Hodgson:** We've got an expert on it. David Balsillie has talked about rabies quite a bit. David, do you want to go through the council and their busy agenda for this year and why they've been allotted the huge sum of \$10,000?

**Dr Balsillie:** With regard to the Rabies Advisory Council, this is a group of folks who have research capabilities, knowledge etc of rabies and rabies control. Last year, in 1996-97, we put forward a budget of \$8,000 and in fact they utilized only \$4,577 of that budget. With the increase in our activity related to racoon rabies, with our programs which are going on in Texas for the control of rabies and coyotes, with our increased activities in control with the states of Vermont and Maine etc, and with our activities in concert with Quebec and New York, we have budgeted this year for \$10,000. If we don't use \$10,000, then it would be the same as happened last year and we would only spend \$6,000 or \$7,000.

**Ms Bassett:** So your accounting practice is you build in contingencies.

**Dr Balsillie:** In this particular case, yes.

**Ms Bassett:** Do you across the board, or just in this?

**Dr Balsillie:** No, not necessarily. We've budgeted pretty tightly across the board, especially with —



**Ms Bassett:** I'm not trying to pin you down, but it's just interesting, if you look at fish and wildlife, down the way, you see \$96,000 versus \$73,000. Is that contingency again?

**Dr Balsillie:** The Fish and Wildlife Advisory Board isn't my particular area, but in fact we had budgeted for this new board, as you see, \$150,000 —

**Hon Mr Hodgson:** I can answer that question, if you'd like.

**Ms Bassett:** Okay.

**Hon Mr Hodgson:** I'll just give David a break here so he can catch his breath. Thank you for the first answer.

Isabel, the Fish and Wildlife Advisory Board wasn't up and running for a full year and we anticipate they will be meeting more often in the next year. The first year, when the set the budget, we weren't sure. It was a guess, based on our best estimate of the time required. After running for a full year we think we can operate on \$96,000.

**The Vice-Chair:** The government side time has expired. We'll move back to the official opposition for your next 20-minute round.

**Mr Michael Brown:** Minister, I'm just going back to the written responses you've provided to questions that we raised last time. I asked a question regarding the interest rate that would be applied to the fish and wildlife special purpose account. I'm told here — well, today the rate is 2%.

I'm just wondering if somebody can elaborate on how this special account works. This is an account kept by the government. Is it a totally separate account from all other government funds? In other words, is there a bank account somewhere where this trust money is placed or is it an internal account that is administered by the Ministry of Finance and they act as the bank?

**Hon Mr Hodgson:** As I understand, it's an internal account, but I can get Patricia up. It's separate from the consolidated revenue account. Perhaps Patricia Malcomson would like to come forward and explain the intricacies.

I would just like, for the record, Mike, to take a second to describe the written answer that you alluded to. Our listeners might not be aware that as per order in council 24/97, the interest rate applied monthly to the fish and wildlife special purpose account, the opening monthly balance is "a rate equal to the 30-day short-term deposit rate offered by the Province of Ontario Savings Office on the first business day in that month." As of today, this rate stands at 2.0%. The Province of Ontario Savings Office is a provincial crown public banking services agency operated by the Ontario Financing Authority of the Ontario Ministry of Finance.

Patricia, if you'd like to explain, Mike wants to know if this is a bank account that's held in the Fish and Wildlife Advisory Board's name or in the Ministry of Natural Resources' name or if it's still a part of the Ontario government but just a special purpose account set aside from consolidated revenue.

1700

**Ms Patricia Malcomson:** I'm Patricia Malcomson. I'm the assistant deputy minister, corporate services. In response to your question, it is an account that's held separately by the Ministry of Finance, so the interest rate the minister has just described is the one that is used by the Ministry of Finance.

**Mr Michael Brown:** It is in effect managed by the government of Ontario or the province of Ontario. They are using a rate from outside to determine the interest rate that is available. Can you give me an idea of what the average monthly balance in that account might be?

**Ms Malcomson:** I could probably get back to you on the average monthly amount, because as we manage the ministry's finances with respect to this account, there are some things for which we spend operating funds from the ministry that are then billable back to the special purpose account. That happens in a fairly fluctuating way, and we do those journal entries at the appropriate time. If you wanted to know the specific figures on the amount, the special purpose account has roughly \$44 million in it at the moment, but it varies. I believe last week we were talking about the varying amount in that account, and of course it varies with the three-year cycle of licence monies in the account. But if you wanted a more specific average over a period of time, I could get that for you.

**Mr Michael Brown:** No, I was just wondering, because the licences flow, depending on the hunting seasons, fishing seasons, outdoor car renewals — there's kind of a three-year bump with those — what kind of money we could talk about. My concern is that 2% seems like a pretty good deal for the government of Ontario to be paying on that balance, if it's substantial, and if you were outside the government of Ontario, you may very well be able to negotiate a rate of interest that would far exceed 2%. That was my only query.

**Hon Mr Hodgson:** It's competitive on a 30-day — as set by the bank rate.

**Mr Michael Brown:** It may very well be that there are substantial sums of money that are always there flowing through. I have no idea; I'm just asking the questions. I'm trying to make sure that —

**Hon Mr Hodgson:** That's a helpful suggestion.

**Mr Michael Brown:** — the hunters and anglers and others have an opportunity to receive the best interest rate possible.

**Hon Mr Hodgson:** I appreciate that.

**Mr Michael Brown:** This is about a specific group but it probably applies to virtually every provincial park in Ontario. I have a particular interest in the Mississagi Provincial Park, which is just north of Elliot Lake. There is a group called the Friends of Mississagi Park which is a very active group of volunteers that work in the park and for the park and raising funds. They even operate the store that's in the park. They rent some canoes and boats and things like that to raise money, but all the money is used in the park. They do things like brush trails and generally just volunteer to help make the park a better place.

My concern is, and they were in my office raising this concern, they have to pay \$500 for liability insurance every year. They're a small group, and I suspect this happens all across the province, not just with them. Their only work really is within the park. They're doing this as a public service. Is there not a way the ministry can find for these volunteer groups within the provincial parks, which are helping all of us, to somehow be indemnified — maybe that's not the right word, but their liability looked after by the provincial government, rather than to have to go out and buy liability insurance, which is just money that can't be spent in the park? I'm sure the provincial government can do that at a far better —

**Hon Mr Hodgson:** If you can get me the information on that, I'll take a look at it. It seems strange that this wasn't brought up before.

**Mr Michael Brown:** It just seems to me if it's \$500, it's just \$500 that isn't spent in the park.

**Hon Mr Hodgson:** I haven't heard that before, and we have all kinds of friends groups right across Ontario.

**Mr Michael Brown:** That's the point. If this is happening all across the province —

**Hon Mr Hodgson:** I think I would have heard about it by now.

**Mr Michael Brown:** — that these groups have to pay a certain amount of money so that they can be safe with liability if they get hurt or whatever, brushing a trail or whatever could possibly happen —

**Hon Mr Hodgson:** Let's take a look at it, Mike. You can tell your constituents that came this week that we'll look at it. Can you get me the information?

**Mr Michael Brown:** Okay. I appreciate that because I think it may not be something that would cost the provincial government much money and it may help both the parks and the good volunteers that do the work.

**Hon Mr Hodgson:** Let's check it out and see if the assumption's correct.

**Mr Michael Brown:** Sure. I'm just going by what I was asked in the constituency office.

On perhaps a bigger issue, although that's a significant issue to me, the crown lands: Many of the municipalities that I happen to represent, and certainly across all of northern Ontario, have a great deal of crown land within them. The crown land does not pay taxes to the municipalities. As we're seeing the huge downloading of responsibility to municipalities, is it the intention of the Ministry of Natural Resources to pay municipal taxes on the same basis as everybody else so that the municipalities are in a better position to meet, in some places, just a staggering new responsibility?

**Hon Mr Hodgson:** The trade that you're referring to where we take half the cost of education eventually and trade it for other services across the province, that's what you're taking about when you say the downloading?

**Mr Michael Brown:** I'm just saying, are you going to pay taxes or aren't you?

**Hon Mr Hodgson:** We pay taxes in lieu in some cases, but I can't see any change —

**Mr Michael Brown:** Only on patented lands. You do not pay it on —

**Hon Mr Hodgson:** I can't see any change in that. I can tell you that on private lands we have made it so that people can afford to own property with trees on it through the managed forest tax rebate program. But on the crown lands, we're not going to start paying municipalities for the ownership of crown land.

**Mr Michael Brown:** I will give you a for instance that was raised by my colleague the member for Renfrew North where a number of municipalities are being asked to take over a highway that runs, I believe it's 41 —

**Hon Mr Hodgson:** It's highway 41 that he's talking about, yes.

**Mr Michael Brown:** Right. It's up to Pembroke. It's virtually all through crown land. It seems rather odd to me, if the municipality is to maintain a road through crown land, that the municipality would not at least have the province of Ontario paying taxes to it like everyone else. Does that not strike you as a little bit odd in this brave new world?

**Hon Mr Hodgson:** If you're asking that we pay municipalities on crown land, you know that's not realistic.

**Mr Michael Brown:** Many of them would say some of the things you're doing aren't very realistic.

**Hon Mr Hodgson:** I don't know. I was down there yesterday with FONOM and NOMA — and I'm sure if I met with eastern Ontario representatives — and I think they recognize that if they work together on this, it'll work out. We've got a difference of opinion there.

**Mr Michael Brown:** It's just that the ministry is responsible for somewhere around 80% of the land in Ontario and to exempt them from municipal taxes when they're changing the role of who does what dramatically seems odd to me. I guess I've got the answer: You have no intention of paying the taxes.

**Hon Mr Hodgson:** I'll tell you what, though. I'll leave the door open to you. If the Liberal Party has the position where they want the Ontario government to pay full market value to municipalities for all the crown land, I'd be interested in seeing it.

**Mr Michael Brown:** All right. The conservation officers: You've alluded a number of times to the number of badges of conservation officers in the province. Are there people behind all those badges?

**Hon Mr Hodgson:** Yes, I believe there is. I've asked the same question myself many a time. Unless somebody's retired in the last week or two. I have the — Cam, I see you nodding. Do you want to come up and explain that? I had the CO association in —

**Mr Michael Brown:** You could just say yes or no.

**Hon Mr Hodgson:** Yes, unless somebody has retired.

**Mr Michael Brown:** I know there are continuing restrictions on overtime. In other words, the officers work whatever their contract calls for, 40 hours a week or whatever it happens to be, and they're not paid to work overtime. They get overtime in terms of compensation time, which means there's only a certain amount of hours



worked by conservation officers in this province. Is that correct?

1710

**Hon Mr Hodgson:** I don't believe so, but I'll tell you that one of our concerns was to make sure the conservation officers had resources to get out in the field and actually do their job. You know that when you and I were both in opposition together, we criticized previous decisions that said they had to sit behind a desk, and we asked for money to get out in the truck. We've put more money into new vehicles, identification packages.

It's up to management to determine these collective agreements, and I'd like to have Cam Clark come up and just talk about the overtime.

I'm told that we have the resources available to provide effective enforcement. In fact, one of the indicators is that the number of charges were up last year and over previous years, so I know that our field staff are out there.

Cam, if you could come up and just explain this overtime issue to Mr Brown. You may want to repeat the question specifically around the overtime and the collective agreements.

**Mr Michael Brown:** What I'm wondering is, when overtime is worked, I take it there is no monetary compensation, there is time in lieu granted.

**Mr Clark:** Generally, that's the way. Basically what we've tried to do is manage overtime because we didn't want to find ourselves in a situation where overtime became an entitlement rather than something that was absolutely necessary. So in both the fire program and in the enforcement program we've worked very hard over the last few years to restrict overtime and put real emphasis on scheduling and developing work programs that address the needs in a particular area for a particular time.

There are obviously exceptional circumstances where it becomes necessary to work overtime, and in those instances we make provisions for that to happen. But I guess the bottom line here is that what we try to do is manage overtime in a way that ensures that people are working meaningful hours, that they're addressing the priorities, and that their work schedule reflects those priorities.

**Mr Michael Brown:** As a general statement, would it be fair to say that there are as many hours worked by conservation officers as there were, say, 10 years ago?

**Mr Clark:** I can't answer that categorically because I don't have the information from 10 years ago. We are not limiting the hours that conservation officers work in a way that detracts from their ability to deliver the job. We're very mindful of the fact that in dealing with the enforcement issues that they deal with, it is essential that they're available when necessary to do the work. But I would emphasize once again that we're trying to be prudent in the way we manage the dollars that we have to run the program, and to that end we're taking a fairly hard line – I'm sure you've got that message – on enforcement so that we don't find ourselves in a situation where we're paying more for the program than we need to with very limited funds.

**Mr Michael Brown:** Have conservation officers over a period of time taken on new responsibilities?

**Mr Clark:** I think in the last couple of years we've broadened their role somewhat. Clearly they have a very, very strong enforcement orientation, but we recognize that they're also one of the most powerful customer service agents we have in the Ministry of Natural Resources. With that in mind, we encourage them to reach out into the community and involve themselves in a way that helps us deliver the MNR message and the programs we're involved in. So in that sense, I think we've changed the focus of some of their activities from what they have done traditionally.

**Mr Michael Brown:** With the evaporation – I guess I'll put it that way – of other ministry personnel from the forests of Ontario because of the way the ministry now operates, is this problematic? Obviously there was at least an informal exchange between conservation officers and their colleagues who would have been in the forest for other reasons. Their colleagues are no longer there. Is that intelligence being lost?

**Mr Clark:** We recognize that in some cases we're dealing with fewer numbers, and of course as a result of that we've refocused the emphasis in the enforcement and compliance areas that we deal in. We've put more of an emphasis on the development of regulation. We've put more emphasis on self-management, not self-regulation, by some of the client groups that we deal with. But I should also point out that we've established enhanced training programs to address this need so that we're not simply relying on conservation officers. We've also established training programs for area technicians and so on who work in area and district offices so that they can adopt some of the compliance requirements and take on a new role in the forest which is somewhat different than what they've done historically.

**Mr Michael Brown:** But there are significantly fewer personnel from the ministry in the forest now.

**Mr Clark:** In absolute numbers, there are fewer people.

**Mr Michael Brown:** We've had some discussion about forest fire fighting in committee so far, and I guess one of the things I'm interested in is the evolution in how the ministry intends to pay for this. I am told that the ministry is moving quickly to have the people holding the SFLs pay for forest fire fighting, to have the municipalities that may have forest fires within their boundaries pay for themselves. Would you just outline your position for me?

**Hon Mr Hodgson:** With the municipalities – I'll answer that first – we're trying to update the agreements so that everyone's the same. There are some municipal fire agreements with the MNR that are based, I guess, on a 1995-96 year cost. Others are back to the 1940s, some in the 1950s, some in the 1960s. Those are reciprocal. If we need support from a municipality, we'd pay the same rate, and if they need our support or call us in – it's their call, whether they call us in, and this is the rate. We just want to update those agreements. That's not a huge revenue source. It's not going to pay for the provincial firefighting.

It's just a cost-recovery mechanism to a small extent, basically.

The other one around the forest industry: There have been rumours and proposals from past governments, and even rumours today, that the forest industry should move to sort of a Quebec model. I haven't been that supportive of that, but what I have said to industry is that they can sit down with our fire people and senior administration, pick a few people from industry and review all the studies that have been done on the efficiency and the effectiveness of our fire operations. If they have ways to improve upon that, by all means we'd look at it.

**Mr Michael Brown:** Does it not strike you, though, that a forest company's attitude towards fighting fires is basically a commercial view, and there are some other values in our forests that —

**Hon Mr Hodgson:** I don't think you listened to my answer.

**Mr Michael Brown:** What? I thought I did.

**Hon Mr Hodgson:** The Quebec model has it so that the industry plays a direct role in the management of the fire operations. I've said no to that operation. I have said that we can sit down and take a look at how to make it more effective and efficient. The MNR will still be in control of what you would like to call the priorities of where fires go and how the operation is conducted. Human safety has got to come first, and I don't think the people of Ontario expect anything less.

1720

**The Vice-Chair:** We'll move over to the third party.

**Ms Martel:** I'm just going to follow up on this because I was going to raise this issue and give you examples of two communities in my riding that are being impacted. As I understand what the MNR is doing beginning April 1998, it is to move to full cost recovery for fire protection on crown-protected land within municipal boundaries.

I'll give you an example of the increases that municipalities will face under this total cost recovery policy. The town of Nickel Centre —

*Interjection.*

**Ms Martel:** That's exactly what the document says. The town of Nickel Centre pays a little over \$2,000 right now for its fire protection from MNR. If they move to \$1.50 per hectare, which is the rate your ministry wants to set, they will look at paying \$34,000 next year for fire protection. The town of Capreol, where I live, right now pays the ministry about \$948 a year in terms of protection of crown-protected land. If they have to move to the \$1.50-per-hectare fee that you want to implement, they're looking at a bill of over \$29,000 next year. How do you expect municipalities like just those two in my riding to cope with those kinds of increases? That's the effect of cost recovery that you want to implement in this sector.

**Hon Mr Hodgson:** I'll take a look at that for you, Shelley, and the two specific examples that you mentioned. My understanding is to update the fire agreements so that it's a question of equity across Ontario, that they pay the same rate and it's reciprocal. It has to be agreed to

by the municipality; we're not imposing this. But I can check it out for you, if you like.

**Ms Martel:** I would appreciate if you'd check that, because your ministry has handed out a document to a number of — first of all, they sent out a letter, and I was going to raise this tomorrow, so I'll bring it with me tomorrow. But they certainly sent out a letter to every municipality saying that these agreements had to be renegotiated and that the new rate would go into effect as of April 1, 1998.

When I talked to your fire support staff up in our district, the figure that the ministry was looking at for a fee was \$1.50 per hectare. I'm assuming that is just a provincial average. I don't know where that amount of money comes from and I'd be interested in finding out how the ministry arrived at \$1.50 per hectare as the charge that had to be recouped. But it will have a very serious impact, and I will bring tomorrow just those two communities, because there's no way those folks will be able to cope. Even if they renegotiate lesser coverage and lesser protection on crown-protected lands, they are still going to face a significant fee increase.

I want to ask you a couple of questions about Lands for Life, because I have a very serious concern around the ability of this process or how this process will actually deal with some very complex land use and land conflict issues that have been boiling for a number of years.

Frankly, as I look at the time lines, and I want to get some confirmation of them, I don't believe there is anywhere near enough time for the tables to do their work. At the end of the day, you will have each of the three tables basically deferring to whatever MNR had as designs for that crown land in terms of the division between parks, tourism operations and forestry companies.

My first question would be, what are the time lines that the tables are expected to meet in terms of giving you information about how to divvy up this crown land? Is it at the end of 1997, the first report?

**Hon Mr Hodgson:** You've probably got a series of questions around Lands for Life, Shelley, and I know Gail Beggs is itching to get up here and explain to you in detail —

**Mr Michael Brown:** She looks really eager.

**Hon Mr Hodgson:** Gail, do you want to come up and just talk about Lands for Life for a bit?

**Ms Beggs:** Good afternoon. Once again, I'm Gail Beggs, assistant deputy minister responsible for the natural resource management division. That project, Lands for Life, is under my guidance.

Ms Martel, you asked a question about the timing of recommendations to the minister. The timing that's been set out for the round table recommendations to the minister I believe is early spring of 1998. I think you mentioned December 1997 in your question. There is a series of sort of project time lines and deliverables, but recommendations from the round table to the minister I believe are spring of 1998.

**Ms Martel:** Secondly, my question would be, what information is MNR making available to the round tables?



**Ms Beggs:** We have been busy compiling all of our information: information about resource-based tourism establishments, information about the wood supply across each of the three ecoregions, information about hunting and fishing activities. We're compiling information about gap analysis, about where we have the best natural heritage sites in the province, socioeconomic information about the various resource-based industries that operate on the crown land across each of the three ecoregions. In addition, industries themselves are compiling information that is also being supplied to the round tables.

**Ms Martel:** When will all of the information be supplied to the round tables?

**Ms Beggs:** I can't give you a date, but I can tell you it's our objective on the part of government to have all of that information into the hands of the round tables by September, I believe, October at the latest. Much of that information has already been compiled and supplied. Some of it is still coming. The tourism industry itself is doing a consultation and confirming things with their operators and intends to supply that information once their consultations are complete, and I think that's planned for September. So depending on the particular piece of information you're talking about, the actual date it gets to the round table may be a little bit different.

**Ms Martel:** If members of the tables want information over and above what MNR is providing them, what is the mechanism to obtain that? I was told that one table was looking at only providing information outside of MNR-based information with the unanimous consent of committee members. Is that correct, or will people, regardless of what their backgrounds are, be able to make requests about wood supply, parks etc, over and above what MNR has given them?

**Ms Beggs:** Would people at the round table be able to make requests of MNR for information beyond what they are given?

**Ms Martel:** Yes.

**Ms Beggs:** Yes, they can make the requests, and I think we'd do our best to supply the information if we have it available. If it's not readily available, then we may not be able to get those answers, but certainly if they are things that we have in our files or in our databases, yes, they would be made available to the round tables.

**Ms Martel:** So there's no truth to the rumour that unanimous consent of the members will be required before specific information is given to this group?

**Ms Beggs:** If you have a specific incident with a specific round table, I can't answer what they've agreed to as a round table, but in general we don't have a policy that we need every member to consent. If it's government of Ontario information, important in making the kinds of recommendations that the round tables are charged with making, and we have that information, we would supply it to the round table. Maybe you could just elaborate a little bit on what you've heard.

**Ms Martel:** I was actually told that the policy of one of the tables was going to be that for information that was requested outside of what was being fed by MNR, there

would have to be consent by all of the members about obtaining that. My concern was that if you have environmentalists who want information about forestry company operations and there was someone at the table who wanted to block that because they represented that industry, then that information would be blocked. If that's not the case, then I'm happy to hear that.

**Ms Beggs:** What I will do is check between this afternoon and tomorrow to see if any of our planning managers have any knowledge of some agreement among round table members, but I have no knowledge today about that.

**Ms Martel:** Can you tell me, what's the specific mechanism that's going to be used to get input from those people who live outside the planning area, specifically outside of northern Ontario, but who have obviously some very serious interest in what's happening? I know there has been one provincial forum on July 3. There was an expectation there would be another in September, but I have yet to see any formal process to allow other stakeholders to participate and to be part of the recommendation-making process.

**Ms Beggs:** We've actually conducted two provincial forums, and all major client groups have been invited to those two provincial forums. We intend to, throughout the process, to continue to convene provincial forums. As well, the minister has asked us to look at more broad-based consultation beyond the round tables. I believe my director of land use planning is discussing with each of the round table chairs how exactly they would like to conduct that consultation, and we'll work with them to find an effective vehicle that works for both the chairs and the tables and the people outside the planning area.

**Ms Martel:** If you have a set timetable for the other forums, can we get a copy of that?

**Ms Beggs:** Sure.

**Ms Martel:** Just so I'm clear, the mechanism also in northern Ontario for input, is that going to be consistent across the three tables in terms of when they're going to go out, who they're going to talk to? Because there are lots of interests that need to be represented that way too.

**Ms Beggs:** Perhaps consistent in principle, because each of the round tables is challenged with consulting with people who aren't present at the round table, but individual chairs and the round table members may choose slightly different vehicles. One table may have open houses, one table may solicit written input from all interested citizens through advertisements, but the principle of more broad-based consultation is a principle that each of the tables must adhere to.

1730

**Ms Martel:** Perhaps I can get from you a sense of what the tables intend to do in terms of having the public input in northern Ontario. I'd like to get that because I continue to have concerns about how that whole operation is going to be managed in northern Ontario as well, and just how open the process is going to be for people.

**Ms Beggs:** If I understand your request correctly, what you would like to know is for each of the round tables

what their intentions are for more broad-based consultation in northern Ontario.

**Ms Martel:** And does that represent open houses, submissions etc? That's for northern Ontario. For southern Ontario, if you have a timetable about the provincial forums, I'd like to get that.

**Ms Beggs:** Provincial forums, yes, we'll get that to you as well.

**The Vice-Chair:** Ms Martel, I'm sorry for interrupting, but the minister says he's having trouble following. So could you maybe speak just a little bit slower or more clearly? Thanks so much.

**Ms Beggs:** Any time, Mr Minister, that you'd like to answer, feel free to.

**Hon Mr Hodgson:** No, I think you're doing a great job on your own. It's just that it's pretty hard to follow the questions, that's all.

**Ms Beggs:** I didn't want you to think I was stealing time here.

**Mr Wildman:** Did you ever hear that Bob and Ray skit The Slow Talkers of America?

**The Vice-Chair:** Absolutely.

**Ms Martel:** Part of what was included in the Lands for Life was the resource-based tourism policy. As I reviewed that, there's a whole implementation schedule that's listed, with at least nine activities that have to be undertaken. It looks like the government is going to be undertaking those. Can I get some idea of where we are in dealing with any of the nine implementation issues that were outlined in the tourism policy released at the end of March?

**Hon Mr Hodgson:** Gail, go ahead. You're on a roll.

**Ms Beggs:** An implementation schedule for the resource-based tourism policy? I'd need some time just to read this and give you a response back. Would it be fair to come back tomorrow with a response for this?

**Mr Wildman:** You better ask Mr Douglas.

**Ms Beggs:** Pardon me? I'm having to come back with a lot of things tomorrow, aren't I?

**Ms Martel:** That's fine. Can I just tell the minister and you why I'm asking this? As far as I can see, the policy I've just given you outlines a number of activities that the government is to undertake, yet it was part of the announcement around Lands for Life. So I want to know if it's the government that's going to be undertaking the implementation schedule in this document or if the tables are going to be doing that, because clearly everything that's outlined shows the government being responsible for setting up dispute resolution mechanisms etc. If the government's going to do it, I don't know why it was part of a Lands for Life announcement in the first place —

**Hon Mr Hodgson:** I'll explain to you the reason behind the Lands for Life. The days of promising timber companies there's another hill to go over, there's more fibre out there, without doing a thorough analysis are over. There's a lot of pressure on our land base. You can't promise parks at the same time you're promising more timber supply at the same time as land withdrawals.

The remote tourism industry is a sector that needs some certainty around where they can operate. It's all the same

land base, and we thought the best way to achieve a remote tourism policy, completion of our parks system, security for our wood industry in the communities that depend on the wood industry and security for our mining interests was to put these things on the table and have a land use plan, which should have been done 30 or 40 years ago. I think it would have been a lot easier. But given the fact that we didn't, the longer we wait, the harder it gets to do this. The pressure keeps building up.

You would know, and I know Mr Wildman would have a deep appreciation for this, that there are conflicting uses that compete for our land base. This should be based on science, and in a rational way we have to work together to sort this out. If we don't do it now, it just gets more difficult.

I appreciate your concerns that the process is short and that it's not an easy process, but I think it's absolutely necessary that we do it and we do it to the best of our ability based on good science with people who are involved locally from the region. I've been criticized for putting northerners on these committees to make decisions about their communities —

**Mr Wildman:** Which northerners?

**Hon Mr Hodgson:** — but I stand by that. I think it will work and there will be access for people from southern Ontario.

**Ms Martel:** If I might, Minister, my concern around this is, one, is there enough time? My second major concern, and I'll deal with it tomorrow, is the whole issue of tenure. I have grave, grave concerns when I look at the six-pack report that you are moving to a system of tenure that would allow forestry companies to have access to land for between 60 to 90 years. I just think that is the absolutely wrong way to proceed, but I'll do it tomorrow in the context of the six-pack. So anyone who knows anything about the six-pack and those recommendations, I'll leave that until I see you tomorrow.

**Hon Mr Hodgson:** I fundamentally disagree with you, so I look forward to having that debate, and I think people who have looked at forestry and forestry practices will disagree with you.

**Mr Wildman:** I have a question. I understand there's only a minute left, so I'll just put it on the record. In terms of the changes with regard to two things, area charges and scales, I understand now that the area charges have been eliminated. I'd like to know if this means that large farms can tie up volumes of timber greater than they need without any cost. That's the question.

The other question that relates to the scale is, I've been told that there are serious problems about the accuracy of the scales in certain areas, such as the Wawa district, to the point that last spring there were three companies in the area that apparently owed enormous sums to the crown. These companies also lose when they don't pay accurate dues because the funding for silviculture is based on what they cut. So it hurts both sides. It certainly hurts the revenue for the government. I think it also, in the long run, hurts the companies and it certainly hurts regeneration. I'd like to know if that's the case and, if it is, what the minis-



try's position is with regard to ensuring tenure is fair and that scales are accurate for timber cut, when it is cut, to ensure the crown gets a proper return.

**The Vice-Chair:** Thanks very much, Mr Wildman. As you know, the time is up, but you are on the record.

**Mr Wildman:** I'd just like to know when I'm going to get an answer to this.

**The Vice-Chair:** It's now the opportunity for the government to have their 20 minutes to respond, and you may want to build your answer into those 20 minutes. Anyone from the government side?

**Mr Vankoughnet:** Mr Minister, previously through correspondence I've brought to your attention the decline in the Land o' Lakes division 29 fishery due to increasing pressure on spawning of walleye. It's a result of the shorter fishing seasons and the adjacent division 10. The fishermen who usually fish in division 10 moved to division 29 for the month of March, the time when the large prespawning female fish are vulnerable.

You've addressed this previously, saying that through the community synthesis, ministry staff are looking at the best ways to apply recent science to walleye management. I just wonder if you would tell me now so I can relate the message that this is on course for completion in the spring of next year, this study. If you don't have the information today, perhaps you could have your officials bring you up to date as to whether this study is —

**Hon Mr Hodgson:** I'm familiar with it, Bill. Can you just repeat the first part of your question? I apologize. I just had a hard time hearing.

**Mr Vankoughnet:** Division 29 is in Land o' Lakes, which is in the northern part of my riding in Frontenac, Lennox and Addington counties. Division 10 adjacent closes, I believe, on March 31. What local people are asking for is to move this date back to February 28.

**Hon Mr Hodgson:** What we've been trying to do is involve local people in these decisions, but it's got to be biologically sound. So given those parameters, we're trying to manage our natural resources. I'll look into the specifics to see where that process is at in your area since the last time we talked about this.

**Mr Vankoughnet:** I'd appreciate that because I would think being neighbouring areas, divisions 10 and of course 29, that the same situation would apply technically in both areas. I guess this is why local people are questioning why the added pressure on the fishing in division 29.

**Hon Mr Hodgson:** That's a good question, and I'll report back on the next day of estimates, which is Thursday, I believe.

**Mr Vankoughnet:** Great. Thank you.

**Mr Beaubien:** Minister, your ministry used to be a great source of employment for the youth in the province in the past. How many programs are available for employing youth to help with the environment, to help with maintenance of the parks and so on? Are the levels of employment about the same levels that they used to be?

1740

**Hon Mr Hodgson:** Thanks for the question, Marcel. It is a very important area. We have a number of programs

that hire youth in the Ontario government. I made a statement in the House the other day and we talked about two such programs.

**Mr Michael Brown:** You should be ashamed.

**Hon Mr Hodgson:** I'm very pleased and proud to say that even though you know the government has been cutting back, youth are a priority for this government. I know that the opposition parties agreed with that.

**Mr Michael Brown:** The Ontario Rangers —

**Hon Mr Hodgson:** There were 2,000 youth employment opportunities in 1997. Youth employment programs are imperative. They create jobs for the students of Ontario. The Management Board has continued the partnership in support of youth employment. We have the Ontario Rangers that Mr Brown mentioned and I know Ms Martel was a big supporter of. We kept 400 students in that program. If you take the percentage of the cuts from when the NDP was in to what we cut, I think we look very good and our record is one that we can be proud of.

We also have a number of other programs. The fire-fighting program employs a great deal of students; I read out in the House the other day the exact numbers. If you like, it'll just take a second and I'll find them for you, even though this is a government member's time.

In the summer of 1997-98, the number of positions were 2,025 just on the two programs, the employment summer program and the Junior Rangers. We also hire forest fire fighters, and a number of them are students going to university or people who have successfully completed their training programs and are continuing their education. I think we have a record to be proud of. It's a proud history of having youth in the MNR to work with our natural resources or to fight fires or to do rehab work for outdoor clubs, etc.

**Mr Beaubien:** I have another question dealing with fish stocks. It's quite interesting. I had one of the constituents from Mr Brown's riding, because I have been at his summer camps doing some fishing, and he was complaining — and I have to agree — that on Lake Wolsey that it's very difficult to catch a fish any more. There's not too many fish left there.

I was reading an article just in front of me that appeared in the Peterborough Examiner on August 14. It says that the abundant supply of pan fish in the Kawartha as according to the Ministry of Natural Resources tempted some anglers to reap more than their fair share, and it talks about people taking 250 pounds of fillets, sunfish, rock bass, yellow perch, bluegill.

A lot of people are complaining that the fishing stocks may be decreasing in some areas and that when we're looking at pan fish, there doesn't appear to be any protection or any limits for this type of fish. What is the ministry's policy in dealing with this particular issue?

**Mr Wildman:** I understand a sunfish really puts up a fight.

**Mr Beaubien:** I'm sure, Mr Wildman, that they put up a hell of a fight. But somebody over here — and I don't know; I'm just going by a reporter's analysis — took 250 pounds of fillet. You may find this quite ludicrous, but I

would point out that I have a constituent in Mr Brown's riding who complains that there are no more decent fish in the lake. So you may want to make light of this matter, but what happens if all the fish disappear?

**Mr Wildman:** Don't overreact, for crying out loud.

**Mr Beaubien:** I'm not overreacting.

**Mr Wildman:** I agree 250 pounds is a serious problem. I agree with you. I just said that sunfish —

**The Vice-Chair:** Okay, Mr Beaubien, I think you've made your point. We should let the minister answer. Go ahead, Minister.

**Hon Mr Hodgson:** I can assure you, Marcel, I share your concern even though Mr Wildman doesn't.

No, this is a serious issue. There are a couple of questions here, Marcel. First of all, we try to make our decisions based on the best science we have. We're trying to do inventories and we're getting more local clubs and more volunteers involved in our data collection. You have to have good data collection and analyse that to make those determinations.

I've heard that the fishing is up in a lot of areas around the province, so it's very hard to generalize specifically, but if in Mr Brown's riding there's a lake that the numbers are down on, we'll take a look at that. The first thing to do is to make sure the public is aware of it, to find out if it's true and then make the public aware that it's true, and then look for solutions that will work. You have to have the public buy-in to make effective resource management policy. There's sort of an old saying that natural resources will look after themselves; it's the people, when they enter the equation, who create the problem. To a large extent we're managing people and their behaviour and how they interact with fish populations or deer populations in their natural environment.

In your other question, the pan fish in the Kawarthas, that's a lake system over by Peterborough. It's not in Mr Brown's riding. It would be over by Gary Stewart and myself and John O'Toole, in that neck of the woods. There's a concern that there's pressure being brought on a variety of what they call pan fish: rock bass, sunfish, perch, small fish that basically provide a lot of feed for larger fish as they grow.

There's no limits on it, and I'm not suggesting we need to do it, but there could be a problem developing if people go up and fish almost to a commercial rate, so in some areas we've imposed a limit for the first time of 100 to 150 fish. We think that's a reasonable amount to draw people's attention to the fact that this isn't an endless resource. We have to be cognizant of the fact that this is feed fish for a lot of the other fish that grow: walleye for instance, or pickerel, as they call it in that area.

We have to manage to make sure that man doesn't drain the lake of the pan fish, but we're a long way from what that article is suggesting, that we come in and impose unilaterally restrictions on it. We want to consult more and do more studies to make sure that it's right and that it's going to be effective resource management.

That's a long answer to your question. We're trying to make it better for fishing opportunities.

**The Vice-Chair:** Anyone else from the government side?

**Hon Mr Hodgson:** Have you caught a fish on Lake Wolsey, Mike?

**Mr Michael Brown:** No. I could help out. There is a serious problem in all of the Great Lakes, as I'm aware, with regard to perch, I'm told by the ministry biologists. Lake Wolsey is actually not an inland lake.

**Mr Chudleigh:** Mr Brown, my question is dealing with some fishing resources and some wildlife resources.

**Mr Michael Brown:** I was just trying to help Mr Beaubien out here.

**Mr Chudleigh:** I know. You're very helpful in those areas.

**Hon Mr Hodgson:** Well, I'm pleased to see that Mr Brown thinks it's a serious issue, unlike Mr Wildman, who thought that it wasn't.

**The Vice-Chair:** Let's go on. Mr Chudleigh, do you have a question?

**Mr Chudleigh:** Minister, in talking about the wildlife management and fish management that we have in this province, by and large our freshwater fishing industry, both sport and commercial, I believe is among the healthiest freshwater fishing industry in the world, and growing. The same could be said for our game animals, that we attract hunters from not only the province but across North America and perhaps a few visitors from around the world.

It appears to me that there's a great opportunity here for a resource-based tourism industry. What is MNR doing about promoting this resource and taking advantage of some of the opportunities that evolve around this area?

**Hon Mr Hodgson:** Okay, that's a great question. There's a huge industry around recreational fishing. It's estimated to be in the billions of dollars and it creates a lot of jobs in Ontario. I've read out in my original speech — it's in the record — the precise job numbers and figures.

The remote tourism, eco-tourism — that was one of the things I did before I got into politics, was to get an eco-tourism course through the college located in our area. I think that's a growing field. The international market is expanding at a rapid rate. We want to make sure that we have the land use plans in place to give security for our remote tourism.

**Mr Chudleigh:** Could you expand on the definition of eco-tourism?

**Hon Mr Hodgson:** That's where we attract tourists based on the ecological values that we have in our province or in our communities. It's an approach to make sure that things are consistent, are environmentally sensitive or sustainable practice by your whole business community in those communities. It's a growing trend. There's a college course now offered through Sir Sanford Fleming College located out of Peterborough, Lindsay, Haliburton and Cobourg. There's a course that's offered there.

What we want to do with the dedicated funding and the special purpose account and the advisory board that's been set up with people who appreciate the outdoors, they've recommended to me that we get a marketing per-



son and market better the opportunities that exist in Ontario. We've also worked with — and this is through my other ministry, northern development and mines — the heritage foundation and with the northern Ontario tourist associations to market northern Ontario and these fantastic tourism opportunities around enjoying hunting and fishing and maybe just bird watching. But we have some of the best natural resources in the world, and we don't brag enough about it. We're not out there marketing it well enough, in my opinion.

So we're trying to get our ministry to make people aware of what exists, how they get involved, how they can participate in the outdoors, and also encouraging our tourism association operators to promote Ontario's natural resources better. We'll give them information and pictures and support on doing that.

**Mr Vankoughnet:** Minister, I know there's a stocking program, and certainly it's been under way for some time, in the eastern part of Lake Ontario, but there is also concern being raised about the availability of bait fish to be able to sustain additional stocking and the amount of bait fish that existing stock will take. Can you comment on that as to what your opinion is?

**Hon Mr Hodgson:** I can just tell you in a general sense that we're gathering a lot of information around that topic. It is becoming topical. We think that through proper management, we can increase the stocking of the fish that people want to fish in Lake Ontario. There are signs in the east end that the lake trout are reproducing, so we have been to back off on that stocking program and add more salmon to the mix. The bait fish is a concern. We're taking a look at ways to improve that.

**The Vice-Chair:** Any other questions from the government side?

**Mr Chudleigh:** Minister, this past summer, Buchanan sawmills up in Thunder Bay opened I believe what's the largest hardwood sawmill in Canada.

*Interjection.*

**Mr Chudleigh:** I think it goes back some years.

**Ms Martel:** To 1994.

**Mr Chudleigh:** It was a very positive aspect for the people of that industry in that area. I wonder what kind of opportunities there are for expansion of sawmills in Ontario generally or the pulp and paper industry in Ontario generally. Are we using our resources to their maximum or is there room for expansion, particularly given the Buchanan situation, where I think about 50% of the production from that areas goes to export?

**Hon Mr Hodgson:** It's a complicated issue. First of all, we want to make sure the fibre that's being harvested is done in a manner that is sustainable. By that, I mean that if you give approval for a sawmill in a community that will employ people, you want to make sure the timber doesn't run out in two years' time and you're left with a community that's economically dependent upon a forest industry when there are no trees to support that. We also want to make sure that there's a forest there for future generations. We want to make sure the forest provides more than just wood. It is an integral part of habitat for a lot of our wildlife that we enjoy as well.

So you want to make sure that forests are managed properly and that the plans of where they're going to harvest are done properly. There are also great opportunities, so we want to have a land use plan. Lands for Life is part of that to make sure we are managing in a plan that will accommodate all these concerns.

There are opportunities, if I could just have the indulgence of the committee for one minute, around value added products with our wood. If you talk to anybody who is an expert in this, we want to encourage our companies to invest in the forests, not just the minimum standards but invest in quality, and also we want to add more value to the wood before it leaves Ontario so it creates more jobs in communities that are dependent on the wood industry.

**The Vice-Chair:** Thanks very much, Mr Minister. That ends our time for today. When we reconvene tomorrow, we have three hours and 30 minutes left. We'll start with the Liberals for 20 minutes and then our regular rotation. Thanks very much for your input and your attention. Have a good evening, everyone.

*The committee adjourned at 1755.*





## CONTENTS

Tuesday 26 August 1997

<b>Ministry of Natural Resources</b> .....	E-963
--------------------------------------------	-------

Hon Chris Hodgson, minister  
Mr Ron Vrancart, deputy minister  
Mr Cameron Clark, assistant deputy minister, field services division  
Dr David Balsillie, assistant deputy minister, science and information resources  
Ms Gail Beggs, assistant deputy minister, natural resources management division  
Ms Patricia Malcomson, assistant deputy minister, corporate services division

### STANDING COMMITTEE ON ESTIMATES

#### Chair / Président

Mr Gerard Kennedy (York South / -Sud L)

#### Vice-Chair / Vice-Président

Mr Rick Bartolucci (Sudbury L)

Mr Rick Bartolucci (Sudbury L)

Mr Marcel Beaubien (Lambton PC)

Mr Gilles Bisson (Cochrane South / -Sud ND)

Mr Michael A. Brown (Algoma-Manitoulin L)

Mr John C. Cleary (Cornwall L)

Mr Ed Doyle (Wentworth East / -Est PC)

Mr Bill Grimmett (Muskoka-Georgian Bay / Muskoka-Baie-Georgienne PC)

Mr Morley Kells (Etobicoke-Lakeshore PC)

Mr Gerard Kennedy (York South / -Sud L)

Ms Frances Lankin (Beaches-Woodbine ND)

Mr Trevor Pettit (Hamilton Mountain PC)

Mr Frank Sheehan (Lincoln PC)

Mr Bill Vankoughnet (Frontenac-Addington PC)

Mr Wayne Wettlaufer (Kitchener PC)

#### Substitutions / Membres remplaçants

Ms Isabel Bassett (St Andrew-St Patrick PC)

Ms Shelley Martel (Sudbury East / -Est ND)

#### Also taking part / Autres participants et participantes

Mr Ted Chudleigh (Halton North / -Nord PC)

Mr Gerry Phillips (Scarborough-Agincourt L)

Mr Bud Wildman (Algoma ND)

#### Clerk / Greffière

Ms Rosemarie Singh

#### Staff / Personnel

Ms Alison Drummond, research officer, Legislative Research Service



ISSN 1181-6465

## **Legislative Assembly of Ontario**

First Session, 36<sup>th</sup> Parliament

## **Assemblée législative de l'Ontario**

Première session, 36<sup>e</sup> législature

# **Official Report of Debates (Hansard)**

**Wednesday 27 August 1997**

# **Journal des débats (Hansard)**

**Mercredi 27 août 1997**

**Standing committee on  
estimates**

**Ministry of Natural Resources**

**Comité permanent des  
budgets des dépenses**

**Ministère des Richesses naturelles**



Chair: Gerard Kennedy  
Clerk: Rosemarie Singh

Président : Gerard Kennedy  
Greffière : Rosemarie Singh



### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Wednesday 27 August 1997

Mercredi 27 août 1997

*The committee met at 1539 in committee room 2.*

## MINISTRY OF NATURAL RESOURCES

**The Chair (Mr Gerard Kennedy):** We have the minister in attendance. Welcome. I understand we have a motion about procedure.

**Mr Ted Chudleigh (Halton North):** Yes, we do. I seek unanimous consent that the government relinquish its time in rotation and that that time be taken —

**The Chair:** We'll need a member or somebody who's been properly substituted to make this motion. I apologize for that formality.

**Mr Bill Vankoughnet (Frontenac-Addington):** I seek unanimous consent that the government will relinquish its time in rotation and that that time be taken off the total time of the estimates of the Ministry of Natural Resources, and the vote on the Ministry of Natural Resources be taken at the end of the day.

**The Chair:** To understand, a motion is being made to stand down some of the government's questioning time to make that possible?

**Mr Vankoughnet:** I believe all of it.

**The Chair:** We would need unanimous consent for that. It would allow the opposition parties to have their full questioning time and it would allow the minister not to have to attend a future session. I believe this would take care of all his remaining time. Do we have that consent? That's agreed. With unanimous consent, we can accept it. We'll proceed with the Liberal Party.

**Mr John C. Cleary (Cornwall):** Minister, letters went to your office and there have also been petitions in the Legislature about the new regulations recently established on the yellow perch fishery in eastern Ontario. A number of issues of particular concern to many of the residents of eastern Ontario remain. First, I would like to return to the concern I brought to your attention a few months ago where over 600 people requested that the purchase of any perch under seven inches be made illegal for commercial fishing.

**Hon Chris Hodgson (Minister of Natural Resources, Northern Development and Mines):** Thank you very much for the question. I am aware of it. I know you've been working very hard on behalf of your constituents to see this addressed. The ministry is taking steps to address this issue and make sure it's based on sound management principles. Andy Houser is not here, but Gail,

you've been involved in this on the periphery. Do you want to answer this question?

**Ms Gail Beggs:** Sure. I'm going to have to ask you to repeat the question.

**Mr Cleary:** That the purchase of any yellow perch under seven inches be made illegal for commercial fishermen in eastern Ontario.

**Ms Beggs:** And you're asking what we've done in response?

**Mr Cleary:** They're asking if you're going to follow through on that and see that it's made illegal to keep any perch under seven inches for commercial fishing.

**Ms Beggs:** My name is Gail Beggs, and I'm the ADM with the natural resource management division. Thank you for my time at the mike.

In terms of a request of that nature, I can tell you the process we go through to decide whether that is necessary and then I'll make a commitment on how we'll handle that particular case.

When someone brings to our attention a conservation issue, which I believe is the basis of this request, we will look at all our available data. If we have no data, we will attempt to get data to assess whether there really is a conservation risk. If there is, we'll make proposals to the public about what should be done. One of the strategies this group has suggested is making illegal the catch and sale of perch under that. That would be one of the things we'd request public input on. If there were any other tools that might accomplish the same end, we'd put those out for public consultation to evaluate what the public said and then recommend how we should proceed, and that may indeed be a response such as you've suggested.

Do you have a particular lake or —

**Mr Cleary:** Yes, the St Lawrence; it's Lake St Francis in eastern Ontario.

**Ms Beggs:** I know we have enacted some regulations in that area already. I don't know the particular details of this request and where we are in assessing it in the process. We could reply back to you in written form and give you some more information.

**Mr Cleary:** They have filled my constituency office full, because they said we're not going to have any yellow perch at all if we allow what's going on to continue.

**Ms Beggs:** If indeed that's the case, we'd share that concern and would want to take some action that would regulate harvest, if indeed there is a conservation issue.



How about, since I don't know the details of that particular piece of geography, we write back where we are in assessing it and what actions we've done already and what we intend to do in the future?

**Mr Cleary:** Yes. I've got a few more questions on that same issue. They're concerned about the commercial fishing nets being allowed in the water during spawning season, especially in spawning beds. This is written to me: "Hundreds of thousands of eggs are ripped off the bottom and destroyed each time the nets are lifted. Therefore, they requested that you act to keep the nets at least 300 feet outside the spawning beds and the mouth of the creeks that the fish travel up to spawn."

**Ms Beggs:** Is this also on the St Lawrence River?

**Mr Cleary:** The same area.

**Ms Beggs:** Right. It's our practice where there's conservation concern to protect very critical habitat through regulation. Indeed if there is a conservation issue of that nature, we could look at making some changes to regulations in the St Lawrence. What I can't tell you, but I can get back to you, is where we are in the process of evaluating that particular issue, what action we've taken and what action is planned in the future.

**Mr Cleary:** Three gentlemen by the name of Mr Marvin Plumadore, Angelo Lebrano and Gordon McDondald, real sports fishermen, would like to take you or the minister on a tour to show you exactly what they mean.

**Ms Beggs:** I'd be happy to participate in a tour. We also have a lake manager on Lake Ontario who is responsible for Lake Ontario and the St Lawrence River and is part of the local decision-making process and it would probably be appropriate to have that person and their biologist along.

**Mr Cleary:** They had another question: "Will you ensure that additional regulations are established, including a seven-inch size limit on any perch and the removal of commercial fishing nets from the water during spawning season?" That was a direct question to me, Minister, so it's going to you.

**Hon Mr Hodgson:** We will look into that. I don't want to give you an answer that we couldn't live up to later on under further examination, so we will get back to you as soon as possible.

**Mr Cleary:** They feel that if sports fishing is allowed there, all those closed provincial parks in eastern Ontario might have a chance to open. At one time there was a booming business there and now it's just the commercial fishermen who come in. It's pretty dull.

**Hon Mr Hodgson:** I can empathize with their concern. It's our intention too to make sure that eastern Ontario is booming and prospering and that lots of tourism comes about as a result of the wise management of Ontario's natural resources by the present government. I appreciate your question.

**Mr Cleary:** I will change to another: MNR offices. They almost think MNR is non-existent in eastern Ontario since they moved from our area to Kemptville. Many who are involved — the office is in Kemptville — just drive their truck to Kemptville, then drive back to do their work,

and by then it's about time to go back to Kemptville for quitting time. A lot of them are not very happy. They think the distance is too far.

**Hon Mr Hodgson:** I'm sorry to hear that. If they would put it into writing for me, I can address their specific concerns. I know we went through a restructuring where we've gone back to three regions from four and consolidated a number of offices. By doing that we've achieved spending reductions that go towards balancing the budget in Ontario.

Also, we've refocused our business. Our plans were made on what's necessary to function well, to limit ourselves to five core activities and do those things well. If you want to get me the staff names that have specific concerns about their travelling to and from work, I can look into the specifics of that for you.

1550

**Mr Cleary:** I'd be very glad to do that. I think that your ministry and the Ministry of Agriculture is almost going out of business in our part of Ontario.

**Hon Mr Hodgson:** Well, I can assure you I've gotten letters, endorsements about the improvements made in the Ministry of Natural Resources. I know it's never easy. When an organization restructures and downsizes, it's hard on the families of the employees and the communities as well. But in the last year or so, I've seen a marked improvement in the morale of the ministry people. They're carrying out their duties. I think everyone in the province should be proud of the level of excellence that they're exhibiting.

As I mentioned earlier in my opening statement, customer service is one of the key areas we're concentrating on this year, to improve the service we deliver to the public, and our staff our fully supportive of that. Around the parks program, Ontario Parks has done a great deal to lift the morale of the staff who work there. The fishing improvements that have been given to me upon recommendation from the advisory board have been well received. Staff feel for the first time in over a decade that they're actually doing useful work again. They're back to being one of the most respected ministries in the province, leading the way for Canada.

*Interjections.*

**Hon Mr Hodgson:** If you want me to get exact quotes, I have met with the conservation officers' association. I might be paraphrasing, but that was very similar to the expressions they expressed to me.

**Mr Cleary:** You should talk to the 17 who were eliminated and the 11 who were forced to go to Kemptville. They might have a different story. Anyway, that's just what has happened in eastern Ontario. I know that we've got letters and resolutions from municipalities, the township of Charlottenburgh, where the yellow perch is a big issue. They want me to ask you, Minister, will you act and reopen the closed MNR offices? That is directly from them to you.

**Hon Mr Hodgson:** We have choices obviously. We could go out and purchase a bunch of new buildings, but the money would have to come from somewhere. I chose to

keep as many staff as necessary to carry out our responsibilities and as a result we closed some buildings, based on a plan that is functional, not based on — somehow we've got economic development mixed up over time with the Ministry of Natural Resources. There are other ministries that do that.

Our job is to be stewards of the natural resources and to concentrate on our core business, not keeping offices because it made sense 100 years ago to keep an office there, but based on the fact that today we have automobiles and we also have telecommunications systems where people can communicate better than they did when they had to travel by horse and buggy or, in the old days in the fire program, sit on the fire tower and watch for smoke. We have satellites now. We also have aircraft that patrol at night. So there have been improvements in technology that have allowed us to consolidate our head offices, cut down on administration and provide a better service to the public when managing their natural resources.

Change is never easy. I'm not trying to underestimate how deeply held those feelings are that you're hearing from some of your constituents, but I can tell you that there are improvements being made that I think people are generally recognizing now. I think if you went back out and asked them — we've recently been asking people how their experience has been with the Ministry of Natural Resources recently, and they're very satisfied.

**Mr Cleary:** This is not necessarily coming from my riding. It's coming from your colleague Noble Villeneuve's riding. They're having a lot of this too, you know.

**Hon Mr Hodgson:** I understand you two are going to have overlapping ridings in the next election.

**Mr Cleary:** That's right, but we have to put up with one.

Some time ago I wrote to you on behalf of Resource Stewardship of Stormont, Dundas and Glengarry regarding the establishment of a 1-800 service and the closure of the Kemptville tree nursery. With regard to the 1-800 service, you have stated that the team of ministry staff led by Guy Winterton, manager of the enforcement section, was to examine all aspects of your customer service and recommend a course of action for improvement. That was some time ago.

**Hon Mr Hodgson:** That's right. I want to thank you for bringing that to my attention and tell you that I agree with you. It's suggestions like that that make customer service better in the Ministry of Natural Resources. Mr Winterton has taken a review of that and now we've appointed Peter Allen to head up special projects in this initiative around customer service. The 1-800 number is part of that. Thank you for your advice. We welcome suggestions to improve service from all individuals in Ontario and even from outside.

**Mr Cleary:** The question was, what is the current status of the 1-800 service? I guess you've partially answered that.

**Hon Mr Hodgson:** Yes, I have. Thank you.

**Mr Cleary:** Mike, he's all yours.

**The Chair:** Mr Brown, you have approximately five minutes.

**Mr Michael A. Brown (Algoma-Manitoulin):** I'll use the first little bit to talk about stumpage fees. As the minister would know, we have a quota system now in having Ontario lumber move into the American market. Above the quota, suppliers must pay certain fees to sell into the American market. I have a number of producers that have questioned why the stumpage fee that they are being assessed by your ministry reflects the full price, for example \$400 per thousand, when the producer, because he pays a \$100 tax, for example, is really netting \$300 from that shipment of wood into the American market. They fail to understand, and I fail to understand, why the stumpage fee is being assessed on \$400 when the net is really \$300.

**Hon Mr Hodgson:** It depends where you sell your wood.

**Mr Michael Brown:** Obviously.

**Hon Mr Hodgson:** If you sell your wood in southern Ontario, it's different. First of all I want to tell you that our government was never in favour of the quota. This is a deal that was totally within the federal responsibility and the federal Liberals decided that a quota was better than a countervail action or going to a hearing. I disagreed with that because I felt that benefited BC over Ontario. However, it was within the federal Liberals' power to do that and they chose to do it. They've been responsible for allocating the quota both internationally and internally, inside Ontario.

On the stumpage question, as you are well aware, we offered the opportunity to change the stumpage system for the forest industry. I had a review that lasted about a year. We received input from most people and there was a consensus that they wanted it modified but not abolished. They didn't want to go to a simpler system because they had gotten used to it and they felt the system that was in place was fair. To answer you specifically about the difference between the stumpage on wood that goes across and is sold in the United States, where they pay a quota, and that which is sold in, for example, the southern Ontario market, I'd call upon Larry Douglas to come up and explain to you in detail the intricacies around this issue.

**Mr Larry Douglas:** There were a number of questions you asked, Mr Brown. One of the questions was, why wouldn't we give credit for the fact that in some cases our companies pay a fee when they ship over quota to the US in the stumpage system?

**Mr Michael Brown:** Yes.

**Mr Douglas:** Essentially, that would be in contravention of the agreement and we could be subject to countervail. That would be explicitly not allowed by the agreement that was signed by the two countries.

In terms of shipping into their own market, there was an option provided to the industry for those companies that shipped solely into the Ontario market to use a Toronto base for the price, as opposed to the American base. As far as I know, no company has yet applied for that.



1600

**Mr Michael Brown:** Would that be because the price is relatively similar?

**Mr Douglas:** I'm not quite sure. The price bounces up and down over the cycle. It bounces up, particularly as you get to the end of the quarter, because there's an interim quota set under the agreement. You tend to get a bigger gap at that point, but that evens out when you start the next quota.

**Mr Michael Brown:** But the fact remains that the people are paying stumpage fees on money they don't actually — that's not the market value of their product. The market value is, in the example I use, \$300, not \$400.

**Mr Douglas:** The companies are saying that on a certain percentage that's the case, you're correct. I believe that in the neighbourhood of 95% of the lumber goes to the US without the extra cost. There is a certain element in which they can pay half of the \$100 fee for the first percentage and then they would pay the \$100 on the final. Essentially the decision is made at the end of the year whether it's worth paying that \$100 or not.

But to make the kinds of adjustments you're suggesting —

**The Chair:** I thank you for your response and ask you to continue, if Mr Brown wishes, the next round. It's now time for the New Democratic Party.

**Ms Shelley Martel (Sudbury East):** I want to begin my questions today —

**The Chair:** If I could just intercede, and this won't be on your time, the minister is offering answers to previous questions. He wants to know whether you'd like to make your time available for them now or at some other time.

**Ms Martel:** If he has them in written form, I'll take them in written form, tabled.

**The Chair:** Does the ministry only have those in verbal form? Is that correct?

**Hon Mr Hodgson:** I only have them in verbal form because I brought people here to give details on the questions that were asked yesterday.

**The Chair:** You prefer to proceed with your questions today?

**Ms Martel:** Yes.

**The Chair:** Okay. Please proceed.

**Ms Martel:** I want to begin by asking some questions about the six-pack report that was done between the ministry and the forestry industry. Specifically, is there a public document that has been released by the ministry which outlines the recommendations and the government responses to the recommendations?

**Hon Mr Hodgson:** I'll call upon Larry Douglas. Larry's well versed in this and can answer any detailed questions on it. I'm sure you'll have more than just the opening question.

**Mr Douglas:** There is no public document which involves either the industry's position or the government's position. In fact, I believe both bodies agreed with certain recommendations and disagreed with others.

**Ms Martel:** Okay, but I have the final report and recommendations, and I'd like to know, of the 44 recommen-

dations that were put forward, how many have been accepted by the ministry?

**Mr Douglas:** We'd have to go through and do a count for you. I'd say roughly half of them were more or less agreed to and half weren't.

**Ms Martel:** Okay. I'd like that, because I have some serious concerns around a number of the recommendations. But let me focus on tenure in particular. While I appreciate that Larry is here, Minister, I think this is a political issue, not a bureaucratic issue in terms of the response.

I have a very grave concern about where I see this government heading on tenure, especially with respect to the forestry industry as it is rolling out through Lands for Life and as it's unfolding in this enhanced wood supply agreement which was presented to the provincial forest policy committee on June 26. Specifically, recommendation 40 on tenure says, "Each sustainable forestry licence holder should, as part of its planning process, identify a subset core area from within the tenured land base on which intensive, ecologically sound timber production would be most appropriate. This area should not exceed 60% of the total tenured area."

The recommendation goes on: "Long-term leases built from bilateral agreements between MNR and each company should be signed to ensure that the land identified above," not more than 60% of tenured land, "is tenured to the agreement holder in perpetuity and is strongly resistant to the unpredictable land base erosion problems of previous tenure arrangements."

As I read that, we're talking about a significant crown land base that you are prepared to turn over in perpetuity to forest companies. Am I correct in my reading of this recommendation?

**Hon Mr Hodgson:** I think you're correcting in your reading of it, but I don't think you're correct to say that is government policy.

**Ms Martel:** Well, whose policy is it?

**Hon Mr Hodgson:** That was a recommendation that you were reading from, I'm assuming, from the six-pack that was set up as a working group to look at ways to improve forestry in the province.

**Ms Martel:** Is the government accepting that recommendation, Minister?

**Hon Mr Hodgson:** I would say no, we haven't accepted that recommendation, unless you know of any perpetual tenure agreements that have been signed in the last six months that I'm not aware of.

**Ms Martel:** I'm looking at the enhanced wood supply agreement that was supplied by your ministry staff to the provincial policy committee on June 26, which talks about the tenure contract. It says, "The enhanced wood supply agreement is a draft legal document incorporating MNR principles and a six-pack recommendation that allows for this to happen." And it says, "The concept is companies can voluntarily enter into agreements with government where, for a fee yet to be determined, they will be granted compensable tenure on areas of their SFLs falling within forest management designation."

So what is this draft document?

**Hon Mr Hodgson:** That makes a lot of sense, that document you just read, but I wouldn't say that it's perpetual agreements. What they're saying is that the current status quo of promising more fibre to build new mills is unsustainable and it has been for some time. But if you're going to look at forests in the future and you've allowed for this capacity by previous governments' decisions, then you have to be able to grow more fibre. You have to also identify what Ontario's strengths are and our competitive advantage in a merging world market, and there has to be some planning around that.

The current system of tenure under the FMAs or under the current SFLs for 20 years on a crop that may take 80 years to grow is a little irrational. We should explore ways to make sure we meet all the biodiversity criteria to make sure that our ecosystems are looked after and that forestry is done in a sustainable manner for all our natural resources. But we want to encourage companies or individuals —

**Ms Martel:** Minister, before you keep going —

**Hon Mr Hodgson:** — who want to make an investment in crown land, in forestry, to make sure the communities that earn a living from that are sustainable and to make sure that the forest is sustainable. They are going to have spend more money on silviculture —

**Ms Martel:** How long are you prepared to provide tenure to forestry companies?

**Hon Mr Hodgson:** Obviously, that would be negotiated, Shelley. It's a public resource and as a minister responsible for management of that, we would have to negotiate that based on good science and business principles.

**Ms Martel:** Minister, you're obviously not entering into negotiations without some idea of what the ministry position is. So tell me, what is the ministry looking at in terms of how long they intend to give these intense forestry zones to forestry licence holders?

**Hon Mr Hodgson:** Currently, it's 20 years and it's reviewed every five years. There would be no changes to that policy. The industry, or people that have tenure, would like it to be in perpetuity, so in between those two positions the negotiations would occur. It was my belief that I would like to see that based on science, based on what makes sense on improving our forests in this province.

**Ms Martel:** Minister, if I might, there's quite a range between 20 years, which is the current situation, and in perpetuity. The ministry, before it enters into negotiations, has to have some idea of what you're prepared to put on the table. Can you give us the range that you're considering as you put this on the table?

**Hon Mr Hodgson:** If you'd let me finish, I was mentioning that our position will be based on science and what's best for Ontario forests for today and for future generations, and I'm seeking advice from the forest policy committee on that.

**Ms Martel:** Where in Ontario now do we have intensive timber production as outlined in the six-pack report?

**Hon Mr Hodgson:** That's one of the problems under the crown forest sustainability. I think you heard in the committee hearings that we were encouraging companies to meet the minimum standard instead of encouraging them, through their own incentive, to go for the best standard. Right now, to a modified degree, it has happened on what used to be the FMAs, the forest management agreements. In some cases, some companies have been better than others. That's why we want to improve the standards. If we enter into agreements like this, we'll make sure there are tough standards that encourage intensive grow areas, more money to be invested in silviculture by the companies.

1610

**Mr Bud Wildman (Algoma):** Could I ask a supplementary question?

**The Chair:** Go ahead.

**Mr Wildman:** Would the minister be prepared to table a short list of those areas currently being managed in an intensive manner so that we might contact the companies, and if the companies wish, they might be able to take us on a tour to demonstrate to us and to anyone who's interested the intensive methods they're using?

**Hon Mr Hodgson:** The list would probably include areas outside Ontario, because up until now, they've been restricted from doing that.

**Mr Wildman:** I meant within Ontario.

**Hon Mr Hodgson:** What we're contemplating are ways to encourage companies to improve the forests to the maximum of their ability.

**Mr Wildman:** Just a moment ago, there were places in Ontario.

**Hon Mr Hodgson:** No, I said a modified view would give you an indication. When tenure was first granted back in 1980 to some companies, they were called FMAs, forest management agreements, and companies were responsible for replacing the forest after they harvested, and for planting things. That has been successful in this province.

**Mr Wildman:** But it's not intensive forestry. I'm very interested —

**Hon Mr Hodgson:** Intensive grow areas: Is that what you're referring to?

**Mr Wildman:** I don't know whether you're talking about sustainable yield or whether you're talking about ecological sustainability, but whatever you're talking about, I'd like to go and have a look at it; I'm interested. I'd like to know what companies are doing it, where they are doing it. My impression was that if there were areas of sustained and intense forest management practices in Ontario, they were mostly on private woodlots, very small areas, not in the boreal forest or the St Lawrence forest. I'd like to know where they are. Unless you're talking about the Algonquin Forestry Authority and their area, which I am familiar with, but that's not related to what you were discussing with my colleague.

**Hon Mr Hodgson:** Bud, you wouldn't allow it to happen when you were minister, so the list would be rather short.



**Mr Wildman:** We certainly didn't have anything against it happening. As a matter of fact, we moved to try and encourage it and to do the scientific work to make it possible for that kind of forestry to evolve, but —

**Hon Mr Hodgson:** It's that groundwork that we will be making our future decisions on.

**Ms Martel:** Minister, if I might, you go much further. You are talking about signing leases with forestry companies that I suspect will go well beyond the 20 years that we currently sign now. Let me tell you, we were lobbied by the same folks from industry for the same thing when we were in government, and they used the same arguments that they couldn't get money for investment etc, none of which was true. It's a totally bogus argument. You only have to look at all the new OSB mills which went into the province when our colleague was minister. All those people were able to get money from Chase Manhattan or whatever based on the current allocation system we have at present. We're buying into an argument that is totally false.

**Hon Mr Hodgson:** There's never been a problem in Ontario raising money to cut our trees and make a profit on our trees. The problem in Ontario has been to get the money reinvested back into the crown land to replace the forest.

**Ms Martel:** No, I don't think that's the problem. We've got a trust fund now that's also in place as part of the Crown Forest Sustainability Act —

**Hon Mr Hodgson:** It limits it; it's to the company's economic advantage to have the minimum contribution instead of the maximum based on a return on a crop that might take 80 years instead of 20.

**Ms Martel:** What I see happening here through this document, the six-pack document, is that you're trying to unload any number of costs on to industry. Fair enough. In exchange for unloading those costs to industry, you're going to grant them licences that are much, much longer than we have at present.

**Hon Mr Hodgson:** No.

**Ms Martel:** My concern today, in your not giving us any idea of how long that is, is that it's worse than I think. Isn't that what's happening? This is the buyoff.

**Hon Mr Hodgson:** No, it's not.

**Ms Martel:** For industry to accept all these additional costs, you're going to allow them licences that are much longer than they are now and certainly far longer than they ever should be.

**Hon Mr Hodgson:** We can play Perry Mason all day, but what's happened is that we've had to set up a process called Lands for Life to balance the competing interests on the land base. A number of mills have been developed that have capacity to use fibre, and communities are dependent upon that economic activity. Many are located in northern ridings. But the forest industry employs about 65,000 people across Ontario and there are a lot of jobs that we want to see continue.

At the same time, we want to complete our parks system. That's a withdrawal of land. We want to give certainty that that happens. We also want to give certainty

around remote tourism so that that industry can have some security that can exist beyond the five-year planning of a forest operation.

With all those pressures, we want to throw certainty of tenure into the mix: to our parks being completed; to remote tourism; to local people, that they'll be able to enjoy their crown lands through hunting and fishing or other activities; and the forest companies, which many communities depend on. We want to make sure they're sustainable as well for the long haul and are not subjected to some arbitrary sense.

Your government, as you acknowledged, agreed with the 20-year tenure. We're not debating whether tenure is an issue. We're debating whether it should be 20 years on a crop that might take 80 years or whether it should be in perpetuity. I'm telling you it's someplace in between, based on science, on the advice we've got from the forest policy committees, on the research that was done — through Mr Wildman's direction and foresight, I might add, that we need better information and research. Those things all play a part on these decisions that will be made in the future.

**Ms Martel:** Minister, if I might, there's a big gap between 20 years and in perpetuity. We never moved beyond 20 years.

**Hon Mr Hodgson:** I'm not in favour of perpetuity either.

**Ms Martel:** This is a public resource. It should not be allocated to forestry companies for excessive numbers of years. Can you tell me one forestry company that has left this province, left their community high and dry, because they couldn't get a longer tenure licence? One?

**Hon Mr Hodgson:** I can tell you of hundreds of small operators who have been amalgamated or folded because technology's made it so that one mill can harvest a lot of fibre. There's never been a problem in Ontario with getting people to want to come in and cut our wood. The problem has been to replace the wood so we have forests for the future.

In the past, we kept promising companies, "Just go over the next hill and you can cut up there, you can cut over here." There's never a plan. I'm saying it should be based on science. We're trying, through Lands for Life, to develop a plan that's sustainable, that gives permanence to our parks system, gives permanence to places where people can enjoy remote tourism, gives permanence to people who want to enjoy hunting, fishing or bird-watching on crown land, and gives permanence to the sustainability of the forest industry as well.

If you're opposed to that — I haven't seen the NDP telling the unions that they don't believe there should be forestry operations in northern Ontario.

**Mr Wildman:** There you go again. That's what we worried about when —

**Hon Mr Hodgson:** They want to have security. Hundreds of little operations have gone down.

**Mr Wildman:** You as minister go to the extreme. That's what scares us about the term "in perpetuity." To suggest that there should only be 20-year tenure is not to

suggest that there should not be forestry in Ontario. They're hardly equivalent.

As a matter of fact, in the early 1990s we discovered that the company that predated Avenor had 60-year licences. That might have been related to a minister who used to come from that area.

**Mr Michael Brown:** Not mentioning any names, but —

**Mr Wildman:** We suggested that perhaps they should be like everybody else and have 20 years. They did not pick up stakes and say, "We're leaving." The point is, you're saying, I think — I've tried to piece it together as I've listened to you — that 20 years may not be adequate. You're also saying that you don't like in perpetuity. So it's somewhere in between. You mentioned 80 years as an example.

**Hon Mr Hodgson:** No. I said some —

**Mr Wildman:** Traditionally, foresters in those forests we're talking about in the north talk about mature forest in 100 to 120 years. Am I right in supposing that you're talking about tenure on that magnitude of years, somewhere between 80 and 120 years?

**Hon Mr Hodgson:** Mr Wildman, we have no plans to change the way it's done now, in that plans are reviewed every five years and have to meet the standards. If they're not doing that, their licence can be yanked, or if they're not using the resource, their licences can be withdrawn. I was merely pointing out — you mentioned 80 — that some trees take 80 years to grow.

**Mr Wildman:** Yes, they do. Some take 120 to be mature; some less. I'm just wondering, in these negotiations will it be set up in such a way that if the company is prepared to invest more in managing the forest and to pay more, they'll get longer time in terms of tenure? Is that the way you're anticipating these negotiations to go?

1620

**Hon Mr Hodgson:** That's one option we're looking at. As you can appreciate, after being minister, you receive a number of recommendations from different groups and you want to analyse it and make sure that when you do go to the table — and we think that'll be in the future — that what we put on the table will be well-thought-out. That's one option, but there could be others.

**Ms Martel:** You're going to also provide compensation over and above that to people who do have tenure, if there's a change in the licensing structure because a successive government decides that they want to have a park there instead of a forestry operation?

**Hon Mr Hodgson:** What we want to try to achieve is to complete our parks system. Pretty well most people in Ontario would like to see that happen. They've felt that it's long overdue. If we can give some certainty that we've completed our parks system based on science, they'll be pleased to see that. At the same time, we want to give some certainty to the communities that are dependent on forest industries. That's one option that could be looked at as well. If the NDP is suggesting that as party position, I'd be willing to look at it.

**Ms Martel:** No, it's in your document. That's why I'm asking.

**Hon Mr Hodgson:** I know. I'm just asking you, if you support that, let us know.

**Ms Martel:** Why don't you tell us what "compensable tenure" means? Then we'll tell you what we think.

**Hon Mr Hodgson:** It would mean that if in the future you wanted, for whatever reason, to withdraw that land as fibre for a particular company, they'd get compensated.

**The Chair:** Thank you, Minister. Mr Brown, it's now your time.

**Hon Mr Hodgson:** I'd really like to hear the questions he asked yesterday.

**The Chair:** Mr Brown, before you begin your questions — this won't be from your time — the minister has some verbal answers to questions that he was unable to provide before. He wants to know if you'd like them in your time or not.

**Mr Michael Brown:** I would. I was about to ask some of those questions again, so this might be helpful.

**Hon Mr Hodgson:** Good. Thank you very much, Mr Brown. Today I will respond to questions raised by members of the standing committee at yesterday's meeting. I'm again joined by my deputy minister, Ron Vrancart, and four assistant deputies.

**Mr Michael Brown:** Skip that part. Just get to the questions. We love them too, but —

**Hon Mr Hodgson:** I don't know why you want to be so derisive to my staff when this doesn't cut into your time.

**The Chair:** Well, it is his time now, Minister.

**Hon Mr Hodgson:** The Fisheries Act: I'll begin with the issues regarding the ministry's decision to withdraw from enforcing certain aspects of the federal Fisheries Act and whether this will affect charges already laid under the act. The specific question was: Can you provide a legal opinion on whether MNR's decision to withdraw from the Fisheries Act has an impact on or might weaken their pursuance of charges that have been filed? I would ask Paul, a lawyer, to come up and —

**Mr Michael Brown:** I didn't ask that question. Maybe we could just do the ones I asked.

**Hon Mr Hodgson:** He agreed that he wanted to hear the questions.

**The Chair:** No, Minister, you and I agreed that you were going to ask each party that asked questions —

**Hon Mr Hodgson:** Oh, you want your questions.

**The Chair:** We'll call that a misunderstanding. Mr Brown, I think the deal is that you have some questions that you may have asked and the answers to those may be available. Is that clearer? We'll proceed on that basis.

**Hon Mr Hodgson:** So I don't have to ask the lawyer to come up at this time.

Just to be clear, it was around Ipperwash; the question was asked to provide copies of letters and reports related to burial grounds. That's a question that was asked by the Liberal Party yesterday.

**Mr Michael Brown:** Yes.



**Hon Mr Hodgson:** We've searched our files to the best of our ability and are providing you with a copy of a letter dated August 1937 from the federal Indian Affairs branch to the deputy minister, the Department of Lands and Forests. In light of the ongoing court case and the fact that ministry staff who would assist us in the search are on holidays, we're unable to provide you with further correspondence at this time. However, we will provide you with the relevant correspondence that we are at liberty to release by September 15. We'll do that at this time, if we could hand those out.

The other question you asked yesterday was, does the blockade committee exist? The answer is no, the committee is no longer in existence.

**Mr Michael Brown:** Could you tell us the date it was dissolved?

**Hon Mr Hodgson:** I have no idea. It's another process now that's in place, I understand.

**Mr Michael Brown:** Can you tell us what that is?

**Hon Mr Hodgson:** Does the legal department know? My deputy minister, Ron Vrancart, will talk to that.

**Mr Ron Vrancart:** The process that has been put in place since the blockade committee was disbanded is in essence an ad hoc approach to dealing with incidents. In essence, each case is looked at on its own merits, and those ministries which have an interest in that particular situation come together and discuss the issue and how the ministries will respond to coordinate activities.

**Mr Michael Brown:** In this particular case, which ministries may be involved in this ad hoc committee dealing with Ipperwash?

**Mr Vrancart:** There is no ad hoc committee dealing with Ipperwash.

*Interjection.*

**The Chair:** Mr Wildman, this is Mr Brown's time.

**Mr Michael Brown:** Do you know what date whatever that committee was called was dissolved?

**Mr Vrancart:** At the time we were dealing with Ipperwash, the blockade committee was in existence.

**Mr Michael Brown:** Okay. So the blockade committee was in existence —

**Mr Vrancart:** At that time. Subsequently it has been disbanded — in the process now.

**Mr Michael Brown:** I'm having a little difficulty understanding. Given the fact that the first nations people are still in your park, who's in charge of the negotiations with the first nations? Who is in charge of the dialogue? It obviously involves more than your ministry. Who's coordinating this on behalf of the government? Or is it an AG thing and that's how you're handling it?

**Hon Mr Hodgson:** That's how I would assume it's being handled. As you know, as soon as the park was occupied, it became a police matter and our ministry hasn't been involved in that directly. We have talked to Chief Tom Bessette, but he's not part of the occupiers of the park.

**Mr Michael Brown:** I understand that. What you're telling me is that there's no cross-ministerial approach to the Ipperwash situation as it stands today? Given the

government's own objective to get the expletive deleted Indians out of the park, and even from the government's perspective that is a total unmitigated failure, you've just said, "Well, we're not going to do anything"?

**Hon Mr Hodgson:** I'm not sure as to your question. After the park was occupied, to use an analogy, the MNR phoned the police and the police would deal with it. There was a blockade committee that looked at things, but once the blockade took place, there's a court case on that and we're not allowed to get into those matters. I can just tell you that this no longer exists. That was the answer to your question.

You have other questions you'd like me to answer as well.

**Mr Michael Brown:** Yes, I probably would.

**Hon Mr Hodgson:** Was the timber EA yours or was that the NDP's?

**Ms Martel:** Ours.

**Hon Mr Hodgson:** That was Shelley's. Moose tags?

**Mr Michael Brown:** No, I think that came from your guys.

**Hon Mr Hodgson:** Oh, that came from our guys.

*Interjection.*

**Hon Mr Hodgson:** I'm sorry, I missed that. You're suggesting that we hold moose tags for an election year?

**Mr Michael Brown:** No, I'm not suggesting anything. I'm just saying I understand the issue.

**Hon Mr Hodgson:** Okay. Did you get a tag this year?

1630

The fish and wildlife special purpose account: I believe that was your question. There are two questions there that relate to the fish and wildlife special purpose account, and the questions were: Can moneys be banked outside of the government to provide for a better return on funds that are to held in the trust for long periods of time? Second, What is the average monthly balance in the SPA?

I asked Patricia Malcolmson, an ADM who knows a great deal about this subject. She'd like to impart some of that information to the committee, or maybe all of it.

**Ms Patricia Malcolmson:** You asked yesterday, Mr Brown, if special purpose account funds could be deposited outside of government. In the case of this special purpose account, they cannot be deposited outside of government unless there's actually a change in section 5 of the Game and Fish Act. Subsection (2) requires that money received under subsection 5(1): "All fees, fines and royalties paid under the Game and Fish Act be treated as money paid to Ontario for a special purpose." The legislation thus what we call "earmarks" all fish and wildlife revenues through the special purpose account.

You were speaking of the return that you might have on that kind of investment and I believe I mentioned yesterday that the government account at this moment was yielding 2%. In the Globe and Mail this morning, 30-day T-bills, which would be roughly comparable in terms of liquidity and certainty of return — they're not exactly the same thing — were running at 2.6%. But what I think you need to know is that a fund like this, when it's operated inside government, is not subject to taxation. Were it

operated outside of government and were it not a charitable foundation, it would be subject to tax. As a result, it's not clear that the return outside would necessarily be better, particularly if you took into account whatever amount you might need to pay for the advice that would be required to make that kind of investment.

The second question that you asked was: "What is the average monthly balance in the fish and wildlife special purpose account?" In the fiscal year 1996-97, the monthly balance was \$18 million. Thus far this year, the average monthly balance is \$15.1 million. Both of those figures include the \$9 million that was originally put in the account as seed money. We would anticipate that that average monthly balance would of course go down once the minister receives and acts upon the advice of the Fish and Wildlife Advisory Board as to how to make the best use of the original seed money. It depends very much on the choices that are made on the expenditure of that money, where you end up on the balance. But what I've given you are the facts as they stand right now.

**Mr Michael Brown:** Thank you. I appreciate the answer. I would ask the minister, that's a considerable sum of money that is the average monthly balance and in the fund. One per cent on \$18 million is real money. It really is. It makes a substantial difference, or would have made a substantial difference, to the fund if at least the government would pay inside its own account the competitive rates you could get in the market.

**Hon Mr Hodgson:** That's a good suggestion.

**Mr Michael Brown:** You have it within your ability to go to cabinet and ask them to pay, because essentially what's happening at the moment is that the government is borrowing that money at 2%. That's a pretty good deal for the government, but I'm not so sure it's a good deal for the hunters and anglers and commercial fishermen who have put their money into the trust fund.

**Hon Mr Hodgson:** I think it's a good suggestion, Mr Brown, and I know you've been very supportive of this special purpose account. If Patricia wants to come back up here and just explain what the tax ramifications might be.

**Mr Michael Brown:** I'm not saying you have to take it outside. All I'm saying is pay it within the fund at the competitive rate. I'm not suggesting that you take it outside. I'm just saying go outside and find out what a competitive rate would be, because that's real money.

**Hon Mr Hodgson:** And that's the same return that we have to take into account. Trish, do you want to talk about this? You've probably looked at this in some detail and you can make sure the fishers and anglers and hunters are getting the best return on their dollar.

**Ms Malcolmson:** I wouldn't want to lead you astray on the example that I gave. That was the nearest comparable thing, in a couple of hours of looking around, to the rate that's being offered by the province. The province's rate is a guaranteed rate.

What I might mention in comparison is that we do have at arm's length from ourselves the forestry trust account, which also invests its money, and you might wish that for comparative purposes. Montreal Trust is managing that

account at the moment and the latest figures that were given to me this morning is that they are getting a 3.1% return on that at the moment. I don't have the numbers but they, of course, charge a management and administrative fee for the work that they do, so it would be unclear without doing further research what the net return is. There is clearly a choice to be made, I guess, but those are the facts as we know them at the moment. Clearly the situation might be different if the interest rates were quickly running in the other direction.

**Mr Michael Brown:** I understand. All I'm saying is that it should be competitive, and the one being used today is probably the lowest possible parameter we could use in terms of funding.

**Hon Mr Hodgson:** I think we're being treated fairly, but we'll certainly run the business case and keep an eye on it.

**Mr Michael Brown:** I think so, and if there's a problem with the Fish and Game Act, obviously that act is coming up for legislative review and we can no doubt deal with that at that particular time.

**Hon Mr Hodgson:** I really appreciate the fact that it's being reviewed.

**Mr Michael Brown:** As the minister and I suppose all of us are aware, resource management issues with the first nations, particularly hunting and fishing, are ongoing in many parts of the province. I would bring his attention to the United Chiefs and Councils of Manitoulin, who have been hoping to hold some kind of discussion with the minister to resolve some of the issues, particularly hunting in their case, of concern to themselves and others.

I'm just wondering what the ministry's position is on negotiating. As a background, I should say we're all aware there was a court case — I guess there still is a court case because it's being appealed — in regard to what is widely known as Operation Rainbow. During that court case, at one of the junctures the judge said, "Some of these issues would be much better negotiated rather than brought before my court." I and others had suggested to the ministry that some of the issues that were being adjudicated would have been far better to have negotiations going on. We weren't suggesting for one moment the negotiations be related to the actual trial but that the issues raised by the trial be discussed with the first nations community. The government chose not to do that.

What is the attitude of the ministry in talking to the people in this situation, the United Chiefs and Councils of Manitoulin, with regard to those issues?

**Hon Mr Hodgson:** I appreciate the question, Mr Brown. I too have met with the united chiefs of the Manitoulin area, with the minister in charge of native affairs as well. We had a round table discussion. We also talked after and their staff have had a lot of meetings as well and been out on the site.

Operation Rainbow that you refer to, as you are aware, started back in the late 1980s. I agree with you that you shouldn't interfere with that court process and negotiate around the charges and that.



1640

**Mr Michael Brown:** It would be inappropriate. I think we all know that.

**Hon Mr Hodgson:** I also agree with you that outside of the court case and outside of those issues, that where it's practical it should be negotiated, and that's what our staff have been trying to do, to make sure there's a clear understanding of what is allowable and what isn't allowable, to make sure that the first nations' rights and treaty obligations are respected, and also to make sure that Ontario has the ability to manage the natural resources so they're sustained for the next generation.

Given the parameters that the courts have clearly laid out, given that the Manitoulin first nations and our staff are willing to cooperate, I think that'll show fruitful signs.

**Mr Michael Brown:** So the minister is encouraging the staff to proceed with — negotiations may not be the proper word, but at least a discussion of the issues.

**Hon Mr Hodgson:** And that has been taking place this round. I know there have been allegations it hasn't, but I can assure you that it has.

**Mr Michael Brown:** So we're looking for a resolution of those matters and the ministry's pursuing them with all vigour.

**Hon Mr Hodgson:** All things in time.

**Mr Michael Brown:** The issue of section 77 of the environmental assessment timber management has been raised here. I wonder if you could, in the broad sense, indicate the ministry's activities in a proactive way to ensure the compliance with section 77 of the timber management.

**Hon Mr Hodgson:** Sure I can. I can do better than that, not just in a general sense; I can call Cam Clark to give a detailed response.

**Mr Michael Brown:** That would be wonderful.

**Mr Cam Clark:** I'm Cam Clark, the assistant deputy minister for field services division. Thank you for the opportunity.

**Mr Michael Brown:** I'm sure you'll have more opportunity here shortly.

**Hon Mr Hodgson:** Do you need unanimous consent to go beyond a minute and a half, Mr Chair?

**The Chair:** We'll get to the NDP at that time. Please proceed, Mr Clark.

**Mr Clark:** Just a little background on this. I did have some involvement in the original timber EA hearings and am somewhat aware of the issues that were raised through that process, so I understand the context for term and condition 77. That particular term and condition addressed issues with respect to the provision of opportunities which provide for more equal participation in the benefits of forest management by aboriginal people.

This was an issue that was raised continuously throughout the hearing process, that aboriginal people were not adequately represented in timber management planning, were not adequately represented in the allocation process, and provision was not made to include them in various forms of public participation that would

allow them to share in the benefits flowing from forest management.

The scope of term and condition 77 is broad, and I think you can appreciate that. It has presented a considerable challenge to local managers to address the intent, and its application and implementation is determined by a lot of variables that exist at the local level. I point that out because in attempting to respond to T and C 77, the term and condition itself puts the responsibility squarely on the shoulders of district managers. There's certainly some merit in this, because they do appreciate the local conditions and by and large are in the best position to have established a working relationship not only with the first nations but with the forest industries involved.

**The Chair:** Mr Clark, I'm going to interrupt you and ask the NDP if they'd like to direct their questions or have you continue your testimony.

**Mr Wildman:** I would like to pursue this a little, but at the outset of our time, I would say that I appreciate the minister's gathering information to answer questions that were raised yesterday, and this is a matter that was raised yesterday as well. I suspect that Mr Clark has done some late-night note making, or if he didn't do it, he had somebody else do it for him, and he can answer some of the questions that were raised yesterday. But I would really like to find out from the minister and/or the ministry staff your definition of the word "negotiate."

**Hon Mr Hodgson:** You should probably ask a lawyer that feels well versed in this to come forward.

**Mr Wildman:** This is a legal matter. You're quite right. Terms and conditions require you to conduct negotiations.

**Hon Mr Hodgson:** I see that they're volunteering. There's three at the back there.

**Mr Wildman:** That's the problem when you've got three lawyers. We'll probably get three different definitions.

**The Chair:** Do all three wish to come forward and give a separate opinion?

**Hon Mr Hodgson:** You may want to repeat the question, Mr Wildman.

**The Chair:** Do you want to designate someone to respond?

**Mr Wildman:** While they're conferring, perhaps I could ask Mr Clark, while the lawyers are defining what "negotiate" means —

**Hon Mr Hodgson:** Do you have three straws back there that might work?

**Mr Wildman:** The problem with raising questions on this, Chair, is that there is a court case not directly related but involving all the terms and conditions. I know that the lawyers may say, "Well, we shouldn't talk about this because this is a matter before the courts." I understand that one of the Sierra Clubs and others have gone to court. I'm not trying to interfere in that case, but this is a matter of significant importance to the first nations and to all of the people of Ontario.

I have an understanding of what the word "negotiate" means and I don't see it happening. So I'm wondering

what the ministry's understanding is of the word "negotiate." I'd like an answer on that.

**Hon Mr Hodgson:** I know if you come forward Mr Wildman will give you his opinion.

**Mr Stuart Davidson:** I'm Stuart Davidson. I'm a solicitor with the Ministry of Natural Resources. My difficulty or hesitancy about coming forward was that I'm not the solicitor who's involved in dealing with first nations at first hand. But I am the solicitor who is involved with the managing of crown forest resources. The answer to your question is actually quite simple. There is no special meaning to the word "negotiate" within the context of the terms and conditions of the environmental assessment. It means almost what you would find in a dictionary, which you have there. Usually we prefer the Oxford rather than the Webster. It's a discussion between two parties in order to reach an agreement, which in this case would be to find ways or mechanisms to afford economic opportunities to first nations. I realize that's kind of an abstract idea, which is why I asked Mr Clark to sit by my side because he has examples of the outcome of those discussions on a district-by-district basis.

**Mr Wildman:** Okay, I would like to hear that. I also know that Mr Clark has some experience in what I understand to be negotiation. I'll just read what Webster's says. I apologize that the clerk wasn't able to get an Oxford. It's "to arrange for or bring about through conference, discussion, and compromise" and "to confer with another so as to arrive at the settlement of some matter."

What are the examples of conferring to arrive at a settlement of some matter? What are the examples of conference, discussion and compromise?

1650

**The Chair:** Mr Clark, did you hear the question?

**Mr Clark:** I'm sorry, Mr Wildman, could you repeat your question?

**Mr Wildman:** I just gave a couple of definitions of what Webster's says "negotiate" means. Mr Davidson said you had some examples of this. I'd like to hear specific examples.

**Mr Clark:** Maybe I should just carry on with some examples here and some of the experience we've had as an organization in attempting to deal with this, because I appreciate the issue you're raising here around negotiation. When we became aware of the term and condition, of course we had to look at that question as well and ask ourselves, in practical terms, at the field level, how we were going to address these concerns, recognizing that at the end of the day we were accountable. We had a number of discussions with district managers around the best way to proceed with this, and we tried to identify the areas where they could have the most impact.

As I pointed out, one of the things we have to recognize when we deal with this is that the responsibility here rests with the district managers; the term and condition speak to them particularly. We responded quite favourably to that because district managers are the people on the front line who deal directly with people in the forest industry and also with native communities, so they are perhaps best

able to recognize the unique needs and situations of the communities and the opportunities that are available.

What we have done, and just on a very broad level, is I don't think there's a district in existence within the area of the undertaking where timber management occurs where district managers are not in the process of attempting to deal directly with first nations to explore ways in which they can benefit more directly from timber management.

I think you appreciate that there's a long history here and these situations are extremely difficult to deal with. For example, in all the SFL negotiations we're involved in where there's native communities either adjacent to or found within the context of the area in which SFLs are being renegotiated or negotiated, district managers are making a conscious effort to ensure and have advised the companies in producing their business plans that they have to work directly with first nations to attempt to reach some reasonable accommodation that respects the needs of the communities and provides them with opportunities.

This may be a situation where they're providing them with employment opportunities, contracting to harvest wood. It may involve them in silviculture. I think you're aware of these kinds of things.

**Mr Wildman:** I also am aware of attempts that have been made that haven't gone anywhere. But if I could raise this matter, Mr Clark hasn't given us any specifics at this point; I understand that he may be getting to them. But if I look at the dictionary where it says "negotiable," it says "capable of being negotiated as transferable from one person to another by being delivered with or without endorsement so that the title passes to the transferee" — capable of being transferred.

I think that is a pretty good definition of the kinds of negotiations that are going on between the ministry and the private sector with regard to tenure. I don't think that is a good description of what is happening in terms of what Mr Clark just described as opportunities for employment.

The question is, are the first nations on an equal footing with the private companies and the ministry in the negotiations? Do they start from — okay, we're going to negotiate transfers of tenure, if you want to use the term from the dictionary; I know you wouldn't use that term yourself. Are they on the same level, the same footing in these negotiations between the private sector and the ministry? In other words, are they in from square one?

**Mr Clark:** I think the term and condition recognized that generally they weren't. I think the substance of the evidence at the hearing was that first nations weren't working on an equal playing field because they were limited in resources, training and the capacity to do the kind of work that currently occurs in forest management. I think the realistic answer, given your knowledge of the situation and most people's, is that they're not playing from the same level.

In recognition of that, we do attempt through these discussions/negotiations to explore ways, realistic ways, that don't necessarily mean turning the whole system inside out, to provide them with real opportunities to build ca-



capacity, to get directly involved in forest operations. The way in which we respond is quite variable, and I think you're aware of that, depending on where it is, the experience of the first nations and the capacity of the first nations to work oftentimes with existing industry where we have legal obligations.

**Hon Mr Hodgson:** I know my deputy minister, Ron Vrancart, would like to comment on this as well.

**Mr Vrancart:** I just wanted to say that in this process there is no allocation of new timber resources taking place here. This is a relicensing of the old FMAs and the old licences.

**Mr Wildman:** Just to use the Mississauga crown unit north of Blind River as an example, that is not a resource that was allocated previously. It was a crown unit.

**Hon Mr Hodgson:** No, the people who were getting timber from that before will get timber after this licensing takes place.

**Mr Wildman:** Negotiations are now on for it to be allocated to companies like E.B. Eddy.

**Ms Martel:** And independents may or may not be a part of that. Right?

**Hon Mr Hodgson:** We'll check that out, but we've tried to insist that if the independents were getting wood before, they'll get wood after.

**Mr Wildman:** That's part of it.

**Hon Mr Hodgson:** They might have to form another unit.

**Mr Wildman:** You asked for an example; I gave you an example that does not fit into what Mr Vrancart just said. There are crown units that were not allocated previously that are currently under negotiation for SFLs.

**Hon Mr Hodgson:** Just for clarification, Mr Wildman, on the Mississauga unit that you mentioned — just so I can check this out — you're saying there was no wood that was used by independents or allocated?

**Mr Wildman:** Not at all; it was a crown unit. They're now negotiating for it to become an SFL.

**Hon Mr Hodgson:** And what we're doing, as Mr Vrancart stated, is licensing that, and people who received wood prior to this change will receive wood after. You're telling me that's not the case.

**Mr Wildman:** You can't guarantee that. I'll tell the independents you said that and they'll be very happy.

**Hon Mr Hodgson:** They might have to form a new unit or get into a unit where they can replace the forest and pay the cost of that, and they look for partners.

**Mr Wildman:** E.B. Eddy is doing it, not the independents, and that's the problem.

**Hon Mr Hodgson:** They look for a partner.

**Mr Wildman:** But the fact is, the North Shore tribal council has indicated interest in that unit which was not previously allocated, so here you're not talking about previously allocated wood, in terms of SFLs or forest management agreements. They are not converting forest management agreements at the Mississauga crown unit into an SFL. This was a crown unit managed by the ministry. So what is the status of the North Shore tribal coun-

cil in those negotiations, since it was not previously allocated wood under the forest management agreements?

**Mr Clark:** I can't give you up-to-date information on the specifics of that negotiation.

**Mr Wildman:** My information is that there have been a couple of contacts but they're not going anywhere, and the private companies like E.B. Eddy and its partners are very frustrated because they'd like to get an SFL.

**Ms Martel:** If I might, I feel we're putting Cam in an unfair position when it's probably some political direction that's required. We believe the terms and conditions are pretty clear and that the district manager has an obligation not just to tell the forestry company or companies that they should go and talk to first nations. The district manager has an obligation to ensure that the first nations are party to that negotiation and that discussion about how land is going to be dealt with — party to. We are concerned because we are hearing from first nations that this is not happening. The district manager is telling first nations to go see the company and work something out with the company in question.

1700

**Mr Wildman:** He's met with them twice.

**Ms Martel:** As far as we're concerned, the district manager has completely reneged on their obligation under the T and C; hence has the ministry. What we want to see are some concrete examples and some sense that first nations are going to be involved directly as parties in this negotiation with respect to crown land, not as an offshoot or as an aside, but being involved directly so that they do see some benefits. Frankly, our concern with some of these companies is that you can tell them to negotiate with first nations but they're going to do as little as possible, regrettably — not all, but some. The ministry has a responsibility to deal with that.

**Hon Mr Hodgson:** Do you have a list of the companies that you feel will do as little as possible and the ones that will be good?

**Mr Wildman:** Let's deal specifically with the examples since we asked for specific examples. You couldn't give them to us; we gave you one. The fact is that the independents, ironically, in this particular situation are on the side of the first nations, not the big companies. They're scared that if E.B. Eddy and its partners get the allocation, they will be at the "mercy" of the large companies, whereas in the past they negotiated with the ministry on the crown management units. So they are supporting the first nations. They are supporting the North Shore tribal council in this in saying that they all should have equal say in the negotiations. The negotiations should not be first between the ministry and the large companies and then the independents make deals with the companies and the first nations make deals with the companies.

**The Chair:** I'll give the minister a chance to answer that assertion.

**Mr Wildman:** I want to assert that Blind River should also have an allocation that they traditionally had off of that crown management unit. They're afraid they may lose it, as the minister knows. They raised that with him.

**Hon Mr Hodgson:** I want to thank Mr Wildman for raising concerns. I'll look into it, but I also want to tell you that there has been no change in the policy since I became minister from what was in existence when I inherited the office.

**Mr Wildman:** They didn't go into effect at that time. They were just starting when you came in and this particular negotiation has not proceeded very far. Anyway, I don't want to prolong it.

**Hon Mr Hodgson:** I can tell you there was no change. We'll take a look at it.

**Mr Wildman:** I'll go to some other matters. I did raise questions around area charges and the scale just at the end of my intervention yesterday. Is it the case that large companies now, because of the elimination of area charges, will be able to have access and tenure on areas they aren't cutting for long periods of time without having to pay rent?

**Hon Mr Hodgson:** I appreciate the question, Mr Wildman. To get you a specific answer, I'd like to call Larry Douglas. He knows this issue in quite some detail that I know you would insist upon having.

**Mr Wildman:** Thank you very much, and perhaps Mr Douglas can speak to the question around the scale and the concerns I had with regard to the Wawa district.

**Mr Douglas:** The area charges have been folded into the stumpage system, so that there is a more direct relationship between what the companies pay and what they cut. I think you had a question — I wasn't sure, Mr Wildman, whether you were concerned about what effect this would have on moneys going into renewal.

**Mr Wildman:** No, that was the other matter of the scale.

**Mr Douglas:** Okay. I'm sorry. The advantage of putting it on volume is that there is a more direct relationship between what the companies harvest and what they pay. With area charges, there wasn't that direct relationship.

**Mr Wildman:** Can they tie up areas that they aren't harvesting without paying anything?

**Mr Douglas:** The relationship between the area they paid and the amount they paid through area charges was really quite a small proportion of the amount of money any company would pay. Historically, it was probably something less than 10% of the total charges that went into royalties through stumpage and that. It wasn't an overriding issue and I don't think our experience was that we thought companies would love to pay area charges just to hold the land. It just wasn't worth it.

The other advantage we have —

**The Chair:** Mr Douglas, I'm sorry I have to interrupt you. Mr Wildman, your time is used up. Mr Brown, would you like him to continue?

**Mr Michael Brown:** Yes I would.

**Mr Douglas:** The other advantage is that it allows us to simplify our billing system. When we had a system dealing with area charges and another one dealing with the volume-based stumpage, it was a more complicated system. So it allows us more efficiency and I think it's more businesslike.

**Mr Michael Brown:** Does this system provide for the same revenue base as the area charge under the old system?

**Mr Douglas:** Yes. We did the calculations and an equivalent amount of revenue is being brought into the CRF and an equivalent amount of revenue is being sent to the forestry futures trust fund.

**Mr Michael Brown:** Could we expect, if harvesting increased or whatever, that proportion to decrease in the stumpage so it reflects properly the area charge as it exists; or vice versa, that you increase the area charge if volumes decrease?

**Mr Douglas:** I think the measure is revenue-neutral. It was based on long-term averages.

**Mr Wildman:** That's a loaded term these days.

**Hon Mr Hodgson:** It goes into the base rate, does it not?

**Mr Douglas:** It has gone into the base rate.

**Hon Mr Hodgson:** So it's revenue-neutral. It's the base rate, not the residual value end.

**Mr Michael Brown:** But it now is dependent on volumes, so if the volume changes, the base rate would change. If it was to remain revenue-neutral, you would have to adjust for volume somehow.

**Mr Douglas:** The harvest levels over the long term are very stable. There are some ups and downs with the economic cycle but it's a small variance.

**Mr Michael Brown:** And the same amount of money flows to the forestry futures trust as was anticipated?

**Mr Douglas:** Yes.

**Hon Mr Hodgson:** You might want to explain the three trusts. There are different trusts.

**Mr Michael Brown:** I understand, so that's fine. I would like to ask a specific question, though, about the trusts. Is the forestry futures trust operating in the manner the ministry intended? Is the money flowing in the manner the ministry intended?

**Mr Douglas:** We're very pleased with the way it's working. There's an advisory board that deals with this and it's got two former deans of forestry, one from U of T and one from the Lakehead.

**Mr Michael Brown:** And they stay in the same room? I know the rivalry between the two schools of forestry.

**Mr Douglas:** We've found that it has moved along quite well. We're not hearing criticisms of it. The fact that they deal with a lot of proposals in any given year is a credit to them.

**Mr Michael Brown:** I want to have another go at section 77, just for a minute, and maybe from the outcome side of this. Could you tell me what actual agreements have come to pass in the last year and a half under that section? Just where we've been successful is I guess the question I'm asking.

**Hon Mr Hodgson:** I think we've been quite successful in opening a dialogue with a number of first nations around the terms and conditions of number 77 as stipulated under the act and as legally interpreted by the parties. I'd call upon Cam Clark. Cam, you might want to



elaborate on some of the progress that your department has made.

**Mr Michael Brown:** Specifically, what agreements have been concluded?

**Mr Clark:** I'm going to reference a number by district to give you an indication of the kind of arrangements we're getting involved in. Nipigon district, for example, has a number of first nation communities. SFL negotiations occurring within this district have included the appropriate first nations communities. In fact, when we licensed the Nakina and Ogoki forests, provisions were written into that agreement that required the companies specifically to get involved, and possibilities for harvesting and silviculture work for the first nations are in the process of being evaluated.

1710

Long Lake Forest Products, as a condition of their licence, must work cooperatively with the crown to provide opportunities to a number of the first nations within that area. The company is to negotiate overlapping agreements, singly or in partnership, for areas to be being harvested under the terms of the forest resource licence on the Ogoki management unit. This is an example where we went through a licensing process which was very rigorous, which I might add was open to everybody, including first nations. In that process there were very specific conditions that the companies had to meet when we put out a request for proposals. The companies chosen were the companies that basically met those conditions in the most satisfactory way. Since that time, we've now been in a situation where, as I say, the company is to negotiate overlapping agreements singly or in partnership. This is a requirement for the forest resource licence on the Ogoki management unit.

This company also has a similar condition with the Aroland First Nation for the Nakina North management unit. The company must also work with native communities to develop the native recruitment, training and employment strategy. This is built into the agreement we reached with that company.

This is a very solid piece of evidence that demonstrates that where the opportunities exist and where the parties can come together, we are able to orchestrate these arrangements, and we feel this is going to be a successful product from that process.

Another area where some interesting developments have occurred in the last little while is in Thunder Bay district, for example. A number of communities there are, and have been, involved in forest management. The Kiaske River Native Development Corp of Gull Bay has extensive experience in forest management within the Thunder Bay district. They are responsible for forest management planning on the Kiaske unit and hold licences. The Kiaske also undertake silviculture activities within their unit. They're involved with Niigaami Enterprises in the planning, road construction and layout of harvesting blocks for their activities on the Spruce River unit as well. The Saugeen First Nation also have an allo-

cation of timber in the Brightsand Forest for the last five years; however, no harvesting has taken place.

Both the Mizhinawea and the Niigaami organizations are represented in the Spruce River Forest local citizens' committee, while the Saugeen First Nation are represented on the Brightsand local citizens' committee. There are a couple of examples there and there are certainly others throughout the area where I think significant progress is being made, both in achieving some degree of involvement of first nations in the planning process, sitting at the table, and also where specific commitments have been made either by way of licensing or contracting of activities on those units. I don't know if you want more examples here.

**Mr Michael Brown:** No, that's fine, thank you.

I think the minister's comment that he has not changed the way the conversion of crown units to SFLs was contemplated in the legislation, Bill 171, is correct. I remember that one of the causes of concern I expressed over and over again was how we would deal with the situations where a number of people were licensed to cut or had allocations — directing the wood within certain areas. I remember very clearly the moment in Thunder Bay where Mr Bisson suggested to one of the presenters that what they should do is form a co-op. I think you remember that too, Minister.

**Hon Mr Hodgson:** Yes.

**Mr Michael Brown:** The logger said very calmly, "If you put 20 loggers in a room, you don't have a co-op; you have a fight." This is one of the issues that is difficult.

I've also had some involvement with the independent loggers on the North Shore. Actually, our constituencies overlap. The concern of how this process works itself out is very great. However, we also know that one of the driving factors behind this is the ministry's decision that if nothing comes to pass in terms of how this is done, the ministry will just manage as it has always managed the forests there and the independents will pay the ministry for the management fee. That is an option, but a terribly expensive one, I believe.

**Hon Mr Hodgson:** It took an amendment to the Crown Forest Sustainability Act to make that an option.

**Mr Michael Brown:** I understand that, but it's not very attractive. I supported the amendment, by the way.

I have had some discussions on lake management with a number of people. There seems to be a broad concern — we've heard it from the government side as well as the opposition side — about the condition of certain species in the fish stock. Perch seems to be one of the great causes of concern. In my own constituency there's a call for a reduction in the limits, both of daily catch and what you may have in your possession, of yellow perch. We're hearing it from all over the province. The biologists seem to indicate that there is certainly a decline, at least at this point a low yellow perch population in the province. I'm wondering if somebody could give us any reasons for that happening.

**Hon Mr Hodgson:** It varies, Mr Brown, depending on which part of the province you're in. In some areas fishing in other species is up. If you're talking about perch in the Great Lakes system, there could be a number of factors:

One is the change in the water clarity affecting the chemical balance; sometimes it's the weather; sometimes it's overfishing. It's hard to generalize; there's a number of factors. It has to be based on good science. There have been studies done by this scientist. There have been studies done by our people. You want to get them together and see if the data are correct and then, from that basis, you can start to make management decisions. It's pretty hard to just generalize and say —

**Mr Michael Brown:** My information is that generally across the Great Lakes system this particular species is having some difficulty, while — you're perfectly correct — other species, whitefish, for example, commercially fished, are very strong; chub is very strong. Commercial fisherman in our area report record catches. The anglers in our part of the world report that bass fishing could never be better.

**Hon Mr Hodgson:** It was a great summer for bass fishing.

**Mr Michael Brown:** I'm just wondering. This would be a cause of concern, because it doesn't appear to be something in this particular lake; it seems to be across the ecosystem.

**Hon Mr Hodgson:** I'll call upon our professional biologist, Gail Beggs. Gail, could you explain in detailed terms the chemical makeup of the water that the yellow perch have to survive in, and the weather conditions?

**Ms Beggs:** Gee, it has been many years since I've had to be a professional biologist, but I'll do my best. Perch is one fish species that fluctuates a lot naturally, due to climate changes in particular. Their growth and productivity respond to things like the length of the winter, the temperature in the water system. I haven't heard the same reports you have of declining populations across the Great Lakes. We have heard that observation in some other lakes, and what the biologists have told me is that it's part of a natural cycle in perch populations. Our data in the other lakes — I can't speak to the Great Lakes — show no undue influence.

1720

Minister Hodgson is right. In the Great Lakes a number of factors can influence perch abundance, as well as climate. We are seeing tremendous changes in the Great Lakes ecosystems, with cleanups of toxics, the introduction of zebra mussels and the introduction of other species. All these things can impact fish species productivity. In the case of yellow perch, I know we've had concerns in some parts of the Great Lakes about the introduction of white perch. That species has shown some increases. Where they increase, sometimes yellow perch decreases, probably due to competition for the same niche.

More specifically on the Great Lakes, though, we'd be happy to give you our data on the status of perch stocks in the Great Lakes. We work with our American counterparts to assess that, and then we work together with our American counterparts to agree on what would be a fair allocation of the resource and what would be a sustainable allocation over the long term, so we do have good data from the Great Lakes.

**Mr Michael Brown:** As long as we have a biologist in front of us, and probably it's your bailiwick anyway, could you explain to me and others how the ministry is progressing in its fight with the zebra mussel?

**Ms Beggs:** The ministry has had a long-standing program. Part of it has been a program where we've funded research; part of it has been a program in partnership with other stakeholders. For example, we've had a partnership with the Ontario Federation of Anglers and Hunters, which has had a zebra mussel hotline where people could phone in and let us know about the distribution of zebra mussels. They have also done a boat wash demonstration to inform the public on how they can help not transfer zebra mussels.

Zebra mussels have become widely distributed after their introduction into the Great Lakes, so they are also in our inland waterways now. They seem to be limited naturally by the calcium content in the waterways. We are noticing in the Great Lakes some decline in population; they seem to peak and then are levelling off. We think they're here to stay in the waterways they're in, and our focus, in partnership with others, is trying to prevent their distribution further.

Successive ministers of natural resources have also written to the federal government on this issue, because while zebra mussels are here, we continue to be worried about the importation of other species through ballast water. My understanding is that as of yet, the federal government has not enacted legislation, although there are voluntary guidelines for ballast water exchange that the shipping industry is trying to abide by.

**Mr Michael Brown:** The zebra mussel battle seems to have been lost, at least in terms of having it widely dispersed through the Great Lakes system and some of the inland lakes. I understand that is having not necessarily a bad effect everywhere, but it's certainly affecting the ecosystem dramatically. Particularly in the lower lakes, Erie and Ontario, if I understand it, that's affecting the mix of the fish population to some extent. Could you describe that?

**Ms Beggs:** I hope I am doing an okay job here, because I'm not employed right now as a professional biologist, but what I understand we're observing is that zebra mussels, through their filtering effect, are taking algae out of the watercourse. That in turn takes out some of the nutrients, binds them up in the zebra mussels. It alters the production of the system by doing that; it changes things like water clarity; sunlight can penetrate deeper. It changes the temperature balance. All these things then change the habitat for the fish species present, which means that some fish species respond positively because they may have been constrained by those variables that have changed; others may respond negatively. Zebra mussels aren't the only thing happening to the Great Lakes, and sometimes it's hard to sort out whether the responses are strictly due to zebra mussel introduction in abundance or due to that and a combination of other factors.

**The Chair:** Another 20 seconds.



**Mr Michael Brown:** To the minister, I had been contacted by some people concerned with the keeping and training of hunting dogs in compounds. You would be aware of that issue. Could the minister describe what the ministry's view is? I know that the last time we went through the amendments to the fish and wildlife act we had this discussion. There were a number of stakeholders who —

**The Chair:** Hopefully, Mr Brown, most of the sense of what you'd like to ask has gotten across. We'll have to hold that until next time.

**Mr Michael Brown:** He will know what I'm talking about anyway.

**The Chair:** We've given sufficient time on that, unless the immediacy is shared by the NDP, whose turn it now is.

**Hon Mr Hodgson:** Do you want me to continue it during your time?

**Ms Martel:** If it doesn't take a long time.

**Hon Mr Hodgson:** This is a pretty complicated issue.

**Ms Martel:** Forget it, then.

**Mr Michael Brown:** We'll catch it on the next go-round.

**Ms Martel:** Minister, I want to check on the status of some other reports. Yesterday we talked about the annual report on timber management, which I assume you will give us a written response to in terms of where it is.

**Hon Mr Hodgson:** Shelley, I can hardly hear.

**Ms Martel:** I want to follow up on some other reports that you have an obligation to table. Under the Crown Forest Sustainability Act you have to table a forest renewal trust fund annual report. Has that been tabled?

**Hon Mr Hodgson:** You asked questions yesterday on the timber EA and the reports around that as well.

**Ms Martel:** Yes, but I didn't ask about this one.

**Hon Mr Hodgson:** Gail Beggs would be more than happy to answer your questions in detail, because I'm sure you'll have some more. Gail, do you want to join us again?

**Ms Martel:** The first report: Under Bill 171 the ministry has an obligation to table the annual report for the forest renewal trust. I wanted to know if that has been tabled.

**Ms Beggs:** To the best of my knowledge, we haven't tabled it yet. It is in the process of production and will be tabled soon.

**Ms Martel:** Are you tabling the 1995-96? We should have two by now, I would think, because the act went into effect April 1, 1995.

**Ms Beggs:** I don't know what's in production. There are both years. I know it is in production now. I assume at minimum it'll be the 1995-96, but that's my assumption. I don't know the answer directly.

**Ms Martel:** The second one, which follows, is an annual report for the forestry futures fund, which should have been tabled by now. We're probably missing a year and a half of that one. Again, that's under the Crown Forest Sustainability Act.

**Hon Mr Hodgson:** Larry, do you want to join us up here? I know you're more than eager to answer this.

**Mr Douglas:** The first report that you refer to is being produced. There were some complications in the audit that was required by Montreal Trust. They're having trouble with their computer system so that was delayed, but it is being prepared. Those bugs have been ironed out.

I'm not aware of the status of the forestry futures trust fund. I know they've completed their first year of operation, and we're awaiting that report.

**Mr Beggs:** I think that's in preparation too.

**Ms Martel:** This is directed to the minister. The act makes it clear that the annual reports are to be tabled. The act has been in effect since April 1, 1995. That's a heck of a long computer delay. I'm not disputing that there might have been, but there's an obligation for you to meet under the act that is not being met.

Let me ask about forest management audits, because they are to be tabled annually. Can you tell me which have been produced under this government?

**Mr Douglas:** We've gone into independent forest audits. Last year we did four pilots. They've been completed and will soon be available. I don't know exactly when they will be tabled, but they have been completed. This year, there are 10 in process, including the SFLs, including two crown management units and including the Algonquin Forestry Authority. Those are in process.

1730

**Ms Martel:** When can we expect those audits? I suspect that the last set we saw tabled would have been in 1995.

**Mr Douglas:** The ones that were done last year should be tabled within the next month or two. The ones that I spoke about, the 10, are just going into the field work, so it would be early next year before that process is completed.

**Ms Martel:** Under condition 91 of EA act, within the first year of the final approval — and we have passed that — MNR was to prepare a brochure which would outline the timber management planning process in simplified form and a glossary of terms. Has that been produced?

**Hon Mr Hodgson:** Thanks for the question, Shelley. Gail Beggs would like to answer that.

**Ms Beggs:** I'm pleased to be able to answer directly. In fact, I brought you examples of the English-language one. We also have one in French, and this is one in Cree and Oji-Cree. Mr Wildman, I believe you expressed some interest in the Cree and Oji-Cree.

**Hon Mr Hodgson:** Gail, do you have copies of those for all the committee members?

**Ms Beggs:** I don't, but I can arrange to get them.

**Hon Mr Hodgson:** Okay. You don't want to adjourn till we get those?

**The Chair:** No, Minister, unless there is unanimous consent. We have a motion to conclude today, so I suspect not.

**Ms Martel:** No. It would be 1998 before we saw the rest of this.

There was another condition, which I will leave with you, because I asked this in a written question to the minister in August. Condition 4 outlines the committees that

have to sit: the local and regional committees, the provincial policy committee and the technical committee. I have asked for specific information about which committees have actually been established and are meeting. I'd like it if you could at least provide the members with the provincial forestry committee and the provincial technical committee. The other ones are regional and local, and that's too much.

**Hon Mr Hodgson:** I know Gail would like to answer.

**Ms Beggs:** I don't have the names of all the people with me. I can give you, to the best of my recollection — Ron might be able to help me — the members of the provincial policy committee.

**Ms Martel:** You could table the names. I'd like to know the schedule, because they were to start to meet in 1995 too. Actually, the former minister, as I understand it, named the members of the committee. I believe they've only met once since then.

**Ms Beggs:** The provincial forest policy committee has met twice.

**Ms Martel:** And the provincial technical committee?

**Ms Beggs:** They have met once and have a meeting scheduled next month. What you'd like — I just want to be clear — is for us to get back to you with the names on both of those committees and meeting dates.

**Ms Martel:** Yes, if you have a schedule for their meetings. There are some obligations you have around this too and I want to be clear that they're being met. Thanks very much.

**Ms Beggs:** Are you interested in the response about — yesterday Mr Wildman asked when we would be publishing the annual report.

**Mr Wildman:** Yes.

**Ms Beggs:** I had a discussion with staff this morning, and I'm pleased to say that the annual report will be published by September. It's in draft form now. We're working with —

**Mr Wildman:** That's 1995-96?

**Ms Beggs:** That's 1995-96. It's an intensive volume, reporting on all our accomplishments under the timber EA. Because you'd asked about progress with MOEE, I also brought, in addition to the brochures which we've tabled, copies of guidelines that represent progress and responses to particular terms and conditions, policies we've done. Each of these on completion is tabled with the Ministry of Environment and Energy.

In terms of your question on the Environmental Bill of Rights and posting, since that bill came into effect and is applicable to various parts of ministry activities, we have been posting for public consultation on the EBR. What I've shown you today is a combination of things, some of which have been posted; others, like the forest management planning manual, haven't been, but have undergone extensive consultation and are widely available.

**Mr Wildman:** Could I ask, since by the end of September you're going to have the 1995-96 report, when you anticipate the 1996-97 report?

**Ms Beggs:** I don't have a date for you, but as soon as possible.

**Mr Wildman:** The law says it is to be tabled annually.

**Ms Beggs:** That's right, so it will be tabled by September 1998.

**Mr Wildman:** So there was sort of a lag time at the beginning and from now on it'll be —

**Ms Beggs:** From now on they must be annually.

**Mr Wildman:** I see.

**Hon Mr Hodgson:** The first one was within the nine years, was it not?

**Ms Beggs:** The first one must be tabled within the lifespan of the terms and conditions, which I believe is a nine-year approval.

**Hon Mr Hodgson:** That's right. After that it has to be annual.

**Mr Wildman:** I would just point out that annual is annual. I know this government has some difficulty with dates: They believe this is the fall and they believe that January's the spring. But "annual" usually starts in January and ends in December, or sometimes it could be a fiscal year starting in April and ending at the end of March. I guess with this one, the first year was 18 months and from now it's going to be annual.

**Ms Beggs:** It will be annual from now on.

**Mr Wildman:** I raised a couple of times questions around the scale in the Wawa district.

**Hon Mr Hodgson:** I know Larry Douglas would like to answer that, because he's familiar with this area.

**Mr Douglas:** We inquired this morning. It would be helpful if you could give us some specific details on this. We will investigate and get back to you, but it would expedite our work if we had some specifics —

**Mr Wildman:** I've written to the deputy minister, dated August 5, so you have that letter. In that letter I said, "Can you confirm that a member of the Wawa district MNR staff requested a review of the scaling in the district?" In response to that request — I'm just paraphrasing — the regional scaling auditor agreed to look into the Wawa situation. I'd like to know the result of the scaling auditor's inquiries. I said: "I've been informed that there are serious reasons for concern about the accuracy of the scales in the Wawa district to the point that private company staffs are disturbed about it. The ministry does not staff the weigh scales and truckers fill out their own slips. As late as last spring, three companies in the area" — there aren't that many companies in the area, Larry — "apparently owed enormous sums in crown dues." I point out that these companies, if they're not billed and don't pay, would lose silviculture funding because of inaccuracies in the dues paid for timber cut. That's their concern.

If you dig up the letter — I'm sure Jane Ireland can find it for you.

**Hon Mr Hodgson:** We will follow up.

**Ms Martel:** Minister, I'd like to ask you about Cross Lake. When is the next scheduled appearance for court? I understand the August date was put off because the MOEE lawyer could not attend.

**Hon Mr Hodgson:** I believe the ministry is to appear on September 11. I could be corrected on that. Can I have confirmation? Is that September 11?



**Ms Martel:** Still in Haileybury?

**Hon Mr Hodgson:** Yes.

**Ms Martel:** I know you won't respond around the court case; I don't expect you to. I would like to ask you if you can explain to the committee why the road was built without complying with the EA act.

**Hon Mr Hodgson:** I believe that's the question before the courts, is it not?

**Ms Martel:** I think the question before the courts is whether or not you're guilty. I don't think there's any question that the road was built. Your ministry went in and barred access to it last fall. It's there. That's clear.

**Hon Mr Hodgson:** To the three lawyers at the back of the room, am I allowed to comment on this to set the record straight and clarify what Shelley's trying to allude to? Paul, could you come up to the front?

1740

**Mr Paul Gonsalves:** Paul Gonsalves, prosecution counsel, legal services branch with the Ministry of Natural Resources. I'm not familiar with the particular prosecution entirely, but it would be my advice, given that it is before the court, that the prudent course would be to refrain from answering the question that was posed.

**Mr Wildman:** With respect, the minister has agreed in the House — it's in Hansard — that the road exists. He hasn't denied the road exists.

**Hon Mr Hodgson:** It's a fact.

**Mr Wildman:** Exactly; that's what my colleague was saying. It's a fact. We know the road is there. The question that's before the courts is whether, in building the road and authorizing the construction of the road, the ministry complied with the act. We're not asking that. We're asking, what was the impetus to build the road? Who asked for it?

**Mr Gonsalves:** In fairness, Mr Wildman, the answer to that question may go to the gravity of any offence that the court may find was committed. To that extent, I'm not sure that —

**Mr Wildman:** I suppose, if you can find yourself important enough issues, you don't have to answer anything.

**Ms Martel:** Let me try this. The comprehensive planning council, in its report to you, opposed a road access into Cross Lake. They made it very clear this was a difficult decision, but they opposed it. The road is also opposed by the Temagami Lakes Association, the Temagami First Nation and, as I understand it, the community of Temagami itself.

My question to you is, because you are now in the process of trying to do the right process to build the road, why are you trying to put access into an area where everyone who lives there is opposed?

**Hon Mr Hodgson:** That's not correct. The comprehensive planning council that studied this issue recommended that there be a road.

Mr Gonsalves, should I be talking about this? I'll stand by the fact that the legal counsel for the MNR has stated that I shouldn't be talking about this while it's before the courts. That too is another fact that we've all witnessed here today.

**Ms Martel:** Can you tell us who supports the road going in there?

**Hon Mr Hodgson:** I just told you I'm not supposed to be talking about this. You heard it yourself from legal counsel.

**Ms Martel:** There are a number of questions that could be answered that have nothing to do with the case. Who wants the road to go in there is not relevant to the case. The road is there; you have it now blocked off. You're now going through a process, retroactively, of getting the proper permission to put the road in place. I've just given you the list of people who don't want it there. I'm curious to know, who does want it there? On whose behalf are you trying to put a road in?

**Hon Mr Hodgson:** I've clarified the record for you. The comprehensive planning council recommended that there be a road. What they talked about was that the access to the lake from that road be up on a hill and you had to walk to it. That discriminates against people with physical disabilities, people in wheelchairs who like to fish, for example. I didn't think that made any sense now in the modern age, where people with disabilities should have access to enjoy the outdoors like other people.

There should have been a proper process followed. That's the question before the courts.

**Mr Wildman:** So it was advocates for the disabled who requested that the road be built.

**Hon Mr Hodgson:** You can assume whatever you'd like for that, or maybe we're just aware of their needs in the future.

**Ms Martel:** Mr Chair, we'll leave that. I think it was the friends of the West Nipissing Access Group and some anglers and hunters out of Mike Harris's riding who wanted it. It's too bad that's who you're catering to.

Minister, let me go back to the issue around tenure. Can you tell me what other jurisdiction provides compensation to forestry companies when land is withdrawn?

**Hon Mr Hodgson:** I know Larry has had quite extensive dealings with this, and he'd be glad to comment on what jurisdictions allow tenure. Tenure is allowed in Ontario. You might want to start with that, Larry.

**The Chair:** Mr Douglas, I'll tell you as you start that we have two minutes to conclude discussion on this item.

**Mr Douglas:** There are a variety of tenures across the country. There tends to be —

**Hon Mr Hodgson:** I wasn't just the country; it was the world as well.

**Mr Douglas:** The world? Oh, okay.

**The Chair:** Maybe we'll try the Ontario jurisdiction.

**Ms Martel:** We don't have it in Ontario. That's why I'm asking.

**Mr Douglas:** I don't have a comprehensive list of the tenure arrangements and whether there is compensation in each one of those.

**Mr Wildman:** British Columbia or Alberta.

**Mr Douglas:** In British Columbia there is a variety of different tenures. There are the tree farm licences. There are also licences associated with the small private.

**Ms Martel:** Hang on. My question was, what other jurisdictions provide compensation to forestry companies when crown land is withdrawn, for example, to establish a provincial park?

**Mr Douglas:** I don't know the specifics of whether that exists or not in the other provinces.

**Mr Wildman:** Can you find out?

**Ms Martel:** If that doesn't exist, can I ask why Ontario is moving in this direction?

**Hon Mr Hodgson:** I think you asked earlier, and I stated to you that it was an option that could be considered.

**Ms Martel:** But, Minister, the option is laid out in an MNR paper that was given to the policy committee. Is that MNR's position? Are you prepared to provide compensation to companies, yes or no?

**Hon Mr Hodgson:** I think we want to be flexible, as we enter this process of Lands for Life, to get a land use plan that's going to stand the test of time and give certainty to both the socioeconomic and environmental needs of Ontario well into the future. That's quite consistent with Direction 90s.

**The Chair:** It is now, for the balance of the time, the Liberal Party till 6 o'clock.

**Mr Michael Brown:** Dogs.

**Hon Mr Hodgson:** What about dogs? I like dogs.

**Mr Michael Brown:** I asked the question. We're talking about hunting dogs and compounds for training them etc.

**Hon Mr Hodgson:** You mean like trailing and enclosures?

**Mr Michael Brown:** Yes.

**Hon Mr Hodgson:** As you know, the first reading of the fish and wildlife bill, which is an improvement over the Fish and Game Act, which hasn't been really substantially altered in 40 years — it'll improve customer service. We've proposed — and this will go to second reading if we get concurrence from the other parties, hopefully quicker than later; I know you're supportive of the bill — to grandfather the enclosures that exist already, that serve a purpose and have a long tradition. If your party has a position on that, I'd be willing to talk to you about it. I'd like to see it.

**Mr Cleary:** Minister, can you bring us up to date on deer farming?

**Mr Michael Brown:** Deer farming is quite an issue in regard to —

**Hon Mr Hodgson:** It is an issue. As you know, the agricultural community would like to see that expanded as an opportunity for their economic wellbeing. The people who are concerned about the wild deer herds are concerned that deer farming poses a threat to disease getting into native populations, affecting their sustainability.

As a result of these two conflicting pressures, we want to do what's the right thing to do, and I think all parties would agree. We're putting people who know something about it to form a group to take a look at all the issues around it and see if there's some way that we can have that industry in the agricultural community, but make sure

there are enough safeguards that there's no possibility, or very little possibility, that disease will escape and affect the native populations. That's the challenge before this working group that's in the process of being formed.

**Mr Michael Brown:** In the proposed fish and wildlife act, there are some amendments that relate to that. I'm not sure I'm clear on how you bring forward a new act when the committee is not going to be, I presume, until after the act is passed.

**Hon Mr Hodgson:** It would probably be done in the regulations, I would presume. Gail, would you come up and explain the process of the legislation as it goes through first, second and third readings and then regulations that are developed.

**Mr Michael Brown:** We understand how that works.

**Hon Mr Hodgson:** I'm sorry. I misinterpreted the question.

1750

**Ms Beggs:** Maybe, Mr Brown, I could help a little bit. The Fish and Wildlife Conservation Act that has had first reading in the House doesn't deal specifically with game farming. Farmed animals are exempt from application of the act.

We are in the process of getting an expert panel to look at the issue of game farming, from the standpoint of both agricultural interests and interests in native wildlife, and developing a set of best management practices that would be endorsed, once they're developed, by the government and then would be put into effect by those who farm game animals so that they would derive economic benefit but native species would be protected through these best management practices. The panel we're proposing will have one independent person, one expert in agricultural matters and one expert in matters related to wildlife.

**Mr Michael Brown:** I see. One of the interests of the Ontario Federation of Anglers and Hunters has long been — their position, if I understood it correctly, would be that there should be an environmental assessment of the impact of farming. I know the agricultural community believes there are great opportunities for Ontario's farmers to move in these areas, to expand their businesses dramatically. Some other provinces have, with some success. We want to move on this relatively quickly, to make some decision in the interests of everybody. This issue has been around for a while now.

**Hon Mr Hodgson:** I agree with you. Before this bill was introduced at first reading, I assure you, we consulted with the OFAH and other groups. Gail, you might want to go through a list of the groups we consulted with, to assure Mr Brown that we tried to find that consensus to improve on the outdated Game and Fish Act, which hasn't been substantially amended in 40 years. I know you've commented on that before, for the need for that to be changed.

**Mr Michael Brown:** Oh, we have. We are certainly looking forward to the second reading debate on the act. If you could withdraw 136, we could do this one this afternoon or this evening. You have a very strange agenda, but that's your House leader, not you.



**Mr Cleary:** Do you have this panel picked yet, these three or four?

**Hon Mr Hodgson:** They've been picked. I don't know if it's been announced yet. It's very soon. It hasn't been announced yet. The question you asked was, "How quick?" and I said, "Soon."

**Mr Cleary:** "Soon" doesn't mean very fast with the government, you know.

**Hon Mr Hodgson:** Sooner than soon.

**Mr Michael Brown:** The minister would be aware that we're often uncomfortable with the idea that this will be done by regulation rather than —

**Hon Mr Hodgson:** I realize that. That's why we've got this group together, to get people to know what they're talking about, to look at it and see how we can do this. They'll begin their work — I don't want to give an exact date, because if you miss it by 12 hours, you're before one of these committees in three or four years because you're not in compliance with what you said. We'll do our best to get that done as expeditiously as possible.

**Mr Cleary:** When are we going to know who these people are? Did you say there are three of them?

**Hon Mr Hodgson:** Soon we'll make the announcement, and I think you'll be pleased that we have the right people to make the right decisions for game farming in Ontario.

**Mr Michael Brown:** Have you consulted with the Ontario Federation of Anglers and Hunters and —

**Hon Mr Hodgson:** Extensively.

**Mr Michael Brown:** — the farming community and the various organizations within that?

**Hon Mr Hodgson:** Yes, the Christian Farmers. We've worked with OMAFRA on this as well, Agriculture, Food and Rural Affairs.

**Mr Michael Brown:** I'd like to thank the minister and the staff for coming and repeat my appreciation of how the ministry staff in my own constituency are quite helpful and always very professional in my day-to-day workings on behalf of my constituents. They're particularly good, dedicated folks.

**Hon Mr Hodgson:** I'd like to thank you and Mr Cleary on behalf of the MNR for your questions and your advice.

**The Chair:** Ms Martel, there are still a couple of minutes. Is there anything further?

**Ms Martel:** I'd like to ask that the responses that were prepared for yesterday be tabled or sent to Mr Wildman and me.

**Mr Michael Brown:** We would appreciate that also.

**Ms Martel:** Could they be tabled with the committee?

**Hon Mr Hodgson:** I gave them verbally from the staff today, pretty well. Is there any particular question you had in mind, which you asked yesterday that wasn't answered?

**The Chair:** Traditionally, questions that can't be answered at the time are brought forward and provided in written form, if we could have that convention observed.

**Hon Mr Hodgson:** If there was a question that wasn't answered today we'll table that answer.

**Ms Martel:** I apologize to ministry staff, because I know this will take some work, but I am very much interested in the recommendations that came out of the six-pack report. I know there are 44, but I would like to know which the ministry is working on. If you can give me the numbers, I can cross-reference them against my own package, and I'll know from there which ones I would like some further information on.

**Hon Mr Hodgson:** I'll see if I'm at liberty to do that. I can tell you that was a very useful exercise, to get industry and government to discuss ways we can manage Ontario's natural resources in a better way. We'll get back to you if I'm at liberty to do that.

**Ms Martel:** I can see from some of the changes in stumpage, for example, that some of the recommendations appear to have been incorporated. The dropping of area charges and changes around forestry futures fund were all part of the recommendations made.

**Hon Mr Hodgson:** There's no doubt, Shelley, that a lot of the advice was good advice, and we accepted it because it made good sense.

**Ms Martel:** If I could get those, that would be helpful.

I would also ask you if you can at some point table with the committee — I raised concerns about this yesterday — a ministry response with respect to the renegotiation of the fire agreements between the ministry and the municipalities. I left with you today the case of one of the communities, and the other one is on Hansard. I would like to know specifically what is included in the \$1.50 charge per hectare. Is that an average of firefighting costs? How was that arrived at? Second, I'd like to know if on different classifications of land you could actually have a different fee. Fire protection for the ministry will be different in some municipalities, depending on whether those municipalities are agricultural, where they are located in the arboreal forest etc. If you're looking at different classification, that would be helpful.

**Hon Mr Hodgson:** We'll get back to you on that. I appreciate your bringing that up as well. It's very important.

**The Chair:** You will respond?

**Hon Mr Hodgson:** Yes, I'll respond to Shelley on that.

**The Chair:** Thank you. On behalf of the committee, I thank the minister and his staff for the significant resources they brought to bear today.

I bring the committee to the vote which flows from the unanimous agreement we started today with.

With regard to the Ministry of Natural Resources, shall vote 2101 through vote 2104 carry? All those in favour? Any opposed? I declare that carried.

Shall the estimates of the Ministry of Natural Resources carry? I declare that carried.

Shall I report the estimates of the Ministry of Natural Resources to the House? All in favour. Thank you very much.

We are adjourned for today.

*The committee adjourned at 1759.*





## CONTENTS

Wednesday 27 August 1997

### **Ministry of Natural Resources..... E-983**

Hon Chris Hodgson, minister  
Mr Ron Vrancart, deputy minister  
Ms Gail Beggs, assistant deputy minister, natural resources management division  
Ms Patricia Malcomson, assistant deputy minister, corporate services division  
Mr Cam Clark, assistant deputy minister, field services division  
Mr Larry Douglas, director, corporate affairs branch  
Mr Stuart Davidson, solicitor, legal services branch  
Mr Paul Gonsalves, solicitor, legal services branch

### **STANDING COMMITTEE ON ESTIMATES**

#### **Chair / Président**

Mr Gerard Kennedy (York South / -Sud L)

#### **Vice-Chair / Vice-Président**

Mr Rick Bartolucci (Sudbury L)

Mr Rick Bartolucci (Sudbury L)

Mr Marcel Beaubien (Lambton PC)

Mr Gilles Bisson (Cochrane South / -Sud ND)

Mr Michael A. Brown (Algoma-Manitoulin L)

Mr John C. Cleary (Cornwall L)

Mr Ed Doyle (Wentworth East / -Est PC)

Mr Bill Grimmer (Muskoka-Georgian Bay / Muskoka-Baie-Georgienne PC)

Mr Morley Kells (Etobicoke-Lakeshore PC)

Mr Gerard Kennedy (York South / -Sud L)

Ms Frances Lankin (Beaches-Woodbine ND)

Mr Trevor Pettit (Hamilton Mountain PC)

Mr Frank Sheehan (Lincoln PC)

Mr Bill Vankoughnet (Frontenac-Addington PC)

Mr Wayne Wettlaufer (Kitchener PC)

#### **Substitutions / Membres remplaçants**

Mr Doug Galt (Northumberland PC)

Ms Shelley Martel (Sudbury East / -Est ND)

#### **Also taking part / Autres participants et participantes**

Mr Bud Wildman (Algoma ND)

Mr Ted Chudleigh (Halton North / -Nord PC)

#### **Clerk / Greffière**

Ms Rosemarie Singh

#### **Staff / Personnel**

Ms Alison Drummond, research officer, Legislative Research Service



ISSN 1181-6465

## Legislative Assembly of Ontario

First Session, 36<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Première session, 36<sup>e</sup> législature

# Official Report of Debates (Hansard)

Tuesday 2 September 1997

# Journal des débats (Hansard)

Mardi 2 septembre 1997

**Standing committee on  
estimates**

Ministry of the Attorney General

**Comité permanent des  
budgets des dépenses**

Ministère du procureur général

Chair: Gerard Kennedy  
Clerk: Rosemarie Singh

Président : Gerard Kennedy  
Greffière : Rosemarie Singh



### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Tuesday 2 September 1997

Mardi 2 septembre 1997

*The committee met at 1531 in committee room 2.*

## MINISTRY OF THE ATTORNEY GENERAL

**The Vice-Chair (Mr Rick Bartolucci):** I call this meeting to order. I thank everyone for showing up, especially the minister. Minister, I want you to know that I've been chairing estimates now for several months, and you're the first minister to show up on time. I think we'll return the courtesy by starting as quickly as we can.

Today is the first day of estimates for the Attorney General's department. As is customary, we will allow the minister to make an opening statement of half an hour. Then the official opposition will have half an hour, the third party will have half an hour, and the right of reply can be used by either the government members or by the minister.

We'll turn it right over. Welcome, Minister, and welcome, people, to estimates.

**Hon Charles Harnick (Attorney General, minister responsible for native affairs):** Thank you very much, Mr Chair. It is a pleasure to present the estimates for the Ministry of the Attorney General for the 1997-98 fiscal year.

I am sure all members of the committee agree that the justice system is fundamental to the quality of life we enjoy in this province. It is fundamental to the safety of our communities and the competitiveness of our economy. The justice system is also the embodiment of some of the most cherished values of our civilization.

This government is working to build a modern, more accessible and more effective justice system, a system that will increase the safety of Ontario communities and support the prosperity of the province.

Ontarians have a right to feel safe in their homes, neighbourhoods and communities. A May 1997 Angus Reid poll for CTV News, however, showed that 57% of Ontarians currently believe crime has increased over the past five years, eight in 10 Ontarians have at least some fear of becoming a crime victim in their own community, and nearly one in four report actually being the victim of a crime in the past two years.

Clearly, the time has come to get tough on crime, and that is exactly what this government is doing. By placing law-and-order issues high on the provincial agenda, we are building a justice system that will do a better job of holding offenders accountable, keeping dangerous

criminals off the streets, deterring crime and respecting the rights of victims — in short, a justice system that meets the expectations of the public.

A modern, accessible justice system plays an important role in creating a climate for job creation, which is clearly the number one priority of the people of this province. An effective justice system contributes to safe communities, places where people want to live, work and do business. It also facilitates commercial dealings by ensuring that disputes can be resolved quickly and at reasonable cost. An effective justice system acts as a magnet for the investment needed to create jobs. As the World Economic Forum in Geneva recently pointed out, the functioning of institutions such as police and the courts is one of the key measures of a nation's competitive edge.

Yet our justice system has been widely criticized for its slow pace, cumbersome procedures and high costs. It is an antiquated, paper-driven system that spends vast resources storing, handling and filing thousands of documents that no one ever reads, a system better suited to the needs of the 19th century than the 21st.

It is a system that is beyond the financial means of the average person and even small businesses, with a typical civil suit taking years to settle and costing the plaintiff \$38,000 in legal fees to recover \$55,000 on average.

It is a system in which public confidence has been shaken by the infamous Askov case in 1990 that led to thousands of cases being dismissed because of delays in prosecuting them.

It is a system that too often seems to care more about protecting the rights of the accused than responding to the needs of the victims of crime.

Previous governments tried to solve these problems by throwing money at them instead of making changes to the way the system operated. As a result, the problems just got bigger.

Now we have a different government, a government that listens to the people of Ontario and is committed to getting the best value for taxpayers' dollars. As I will explain, we have changed direction and we are making strong headway towards the modern, accessible and effective system Ontario requires to enter the new millennium. Like all government activities, the Ontario justice system of the future must be built on fiscal reality, and not pie in the sky.

In the 1995 election, Ontarians sent a new government to Queen's Park with instructions to control spiralling



deficits by getting a handle on spending and to cut taxes to create jobs.

We have delivered. As Finance Minister Ernie Eves declared in presenting the 1997 provincial budget, "The endless cycle of tax, spend and borrow is over." We are on track towards eliminating the deficit by the year 2000-01. The budget also delivered on the next two instalments of the tax cut, one effective July 1 and another January 1.

Ontario's economy is responding with jobs and growth and, perhaps most important, with renewed confidence and optimism. Ontario has gained 124,000 net new jobs in the past five months. More people are working in this province than ever before.

The key to sustained prosperity is to let people keep more of their hard-earned money, and to do that, the government must live within its means. Instead of trying to be all things to all people, our government is concentrating on those services that people value most, one of which is the administration of justice. Instead of mindless expansion to meet growing needs, we are restructuring public services, including the justice system, to provide the best value for every tax dollar.

Despite the fiscal pressures, I want to underline that the government has preserved funding for the justice system at a high level. This year, the ministry's business plan initiatives to cut expenditures amount to a 4.25% reduction in our overall budget.

In 1997-98 the ministry plans to spend about \$734 million, equivalent to \$2 million every day in the year. Within this substantial allocation, we are protecting and will continue to protect key front-line services. For example, we have preserved and are indeed increasing the number of crown attorney positions, and we have maintained funding for both social work and legal representation by the children's lawyer. Our mission now is to adopt new ways of thinking and new procedures to create a better justice system with the ample funds at our disposal.

We are doing this in partnership with our vast array of stakeholders: the legal profession, the judiciary, the police, business, community groups in areas from family services to crime prevention, and the public. Last year the deputy minister and I met with more than 220 stakeholder groups in 34 different locations, and I am keeping up an extensive schedule of meetings this year. I am greatly encouraged by the vast support for change that exists among our partners in the system. Stakeholders not only advocate change but are eager to participate in making it happen.

We all understand the challenges involved in turning around a system as complex as the justice system. Together, we are moving forward, and we are determined to continue on the path towards a modern, more accessible and more effective system. I would like to discuss the highlights of our activities under four themes: improving safety in our communities; supporting victims of crime; making our courts more responsive, accessible and efficient; and, finally, adopting new ways of doing business.

Improving community safety: I believe the most important thing we can do to make our communities safer is

to ensure that criminals are held accountable for their actions. That is why last November I announced a blitz strategy in our six most heavily backlogged criminal court locations: Scarborough, North York, Etobicoke, Newmarket, Brampton and Barrie. The judiciary, the police, the bar and ministry staff worked together to open new courts, redeploy resources and change the way we process cases. These efforts have definitely paid off. Overall, for the six locations, there has been a 13.2% decrease in the number of pending charges since November, the first significant decrease we have seen in years. We have taken action to prevent another Askov-type crisis.

The blitz, however, is only an interim measure. It must be followed up by lasting solutions. You may be aware that in 1993 the Martin report led the ministry to implement an investment strategy calling for new crown practices in the areas of screening, disclosure and pre-trial resolution of issues. The strategy is to invest more resources in the front end of the criminal justice process so resources at the trial end can focus on cases that pose the greatest threat to community safety. I am pleased that the ministry's budget this year, for the first time, includes \$6 million for the investment strategy as a permanent part of our base funding rather than a temporary allocation, as in past years.

Soon we will begin to take the next steps to build on the Martin report to keep backlogs from redeveloping. I will be announcing the creation of a criminal justice review committee, composed of high-level representatives of the judiciary, the bar and the ministry, to propose long-term, practical solutions to the persistent problem of criminal court backlogs in Ontario. We must, and we will, put an end to the risk of criminals escaping justice due to delays caused by the high volume and increasing complexity of criminal cases.

#### 1540

The federal government also has a role to play in getting to the root of the backlog problem. I am encouraged that, at their conference last month, the premiers agreed to press the federal government to make the modernization of criminal procedure a legislative priority for the next Parliament.

The provinces and territories unanimously support a package of criminal procedure reforms that will streamline the system and make the prosecution of criminal charges more efficient and effective. The changes we are calling for will reduce procedural delays and facilitate the use of electronic technology to speed up the criminal justice process. Victims and witnesses in particular will benefit from having to make fewer court appearances.

To implement this package, the federal government needs to amend archaic sections of the Criminal Code that are more than 100 years old. The federal government promised to introduce the necessary amendments by the end of 1996, but it didn't happen. It is time for action on this reform package, which everyone agrees is imperative to bring the criminal justice system into the 21st century.

I have attended public crime forums across the province, and one message that comes across loud and clear is

the feeling that too often the punishment does not fit the crime. I have created a sentencing committee, made up of crown attorneys, to develop guiding principles to assist prosecutors in seeking stiffer sentences from the courts where appropriate in individual cases. This group is also working on recommendations we can take to Ottawa for Criminal Code amendments to allow judges to impose longer sentences for given crimes. I can assure you the Ministry of the Attorney General will do all it can to ensure an appropriate sentence is handed down in every case.

The public cannot help but become cynical when a law like section 745 of the Criminal Code remains on the books. This so-called "faint hope" clause, which allows convicted murderers to seek early release before completing their prison terms, offends the sense of justice of most Canadians. Most of us believe sentences should mean what they say, that 25 years without parole should mean 25 years. Furthermore, I believe it is unconscionable and totally unacceptable to put the families of murder victims through the ordeal of an early hearing on the criminal's release. This clause should be repealed.

Youth crime is a growing problem. According to Canadian Centre for Justice statistics, the rate of youths charged with violent crimes has more than doubled since 1986. I am pleased that the government's crime control commission, which is seeking creative solutions to support safe communities, is making youth issues its first priority for public consultation.

Clearly, the federal Young Offenders Act, which took effect in the mid-1980s, is a failed experiment. It should come as no surprise that the recent Angus Reid poll I mentioned found that 78% of Ontarians have little or no confidence in this piece of federal legislation.

A little over a year ago, the Solicitor General and I appeared before the parliamentary committee in Ottawa that was reviewing the Young Offenders Act. We stressed that this legislation required a complete rethinking to reflect the views of Ontarians. We called for a series of major amendments to the act, including the following: Change the definition of young offender so that 16- and 17-year-old offenders are prosecuted as adults; at least require automatic transfer to adult court of 16- and 17-year-olds charged with violent offences; allow for the prosecution of young people under 12 who are charged with serious violent crimes; allow publication of names of youths convicted of violent offences; and permit access to legal aid only if the youth's parents cannot afford to pay for legal services.

It was encouraging to hear the new federal Minister of Justice say the other day that the main goal of the act must be to protect society and that this must be taken into account in dealing with such issues as the definition of "young offender," the sentences available, and whether offenders' names are published.

The present act has failed to deter youth crime and failed to protect the safety of communities. I urge the federal minister to deliver on her pledge to address these issues and to listen to the concerns of Ontarians and other

Canadians who are fed up with a system that shields young offenders from the consequences of their own actions.

Quite frequently, the success of a criminal investigation hinges on police being able to get a search warrant quickly. In Ontario we will soon introduce a telewarrant service that will allow police officers to obtain a search warrant by fax when a justice of the peace is not available in person. Our telewarrant centre will be staffed by a justice of the peace 24 hours a day, seven days a week, and will be available to all police officers in the province. Telewarrants will be one more weapon in the arsenal against criminal activity.

Turning to our next theme, this government is wholeheartedly committed to correcting an imbalance that has occurred for too long in our justice system, where the rights of the accused are put in the spotlight and the needs of victims stay in the shadows. We will not tolerate a system that allows victims of crime to suffer twice, first at the hands of the criminal, and second at the hands of a legal system that does not respect, understand or respond to their needs.

On June 11, we observed the first Annual Day of Commemoration for Victims of Crime, a day chosen to coincide with the anniversary of the proclamation into law of the Victims' Bill of Rights. This legislation, among the most comprehensive in Canada, brings about long overdue changes to the way victims of crime are treated.

Among its various provisions, the bill of rights enshrines the victims' justice fund to ensure that money collected from fines imposed by the courts on offenders will always be available for services to victims. The government allocated more than \$10.2 million from the fund to strengthen victims' services across Ontario over the first two years. Approximately \$5.9 million was spent in 1996-97 by the Ministry of the Attorney General and the Ministry of the Solicitor General and Correctional Services, and we will invest additional funds for victims' services this year and in the future.

The Ministry of the Attorney General has dedicated money from the fund to double the number of services available to victims of crime as their cases proceed through the courts and to enhance existing services. Victims in 20 communities now have the support of victim/witness assistance programs, and six more communities will be added by the end of the fiscal year. This program helps people who are already traumatized by crime to get through the various stages in the court process, which can often seem confusing and intimidating. Staff explain how the system works, provide information about the victim's specific case, assist in completing victim impact statements and refer people to community agencies if needed.

In 1996-97, more than 11,000 victims of crime received these services, people who are highly vulnerable. More than 80% of the people receiving this support are victims of wife assault, sexual assault or child abuse, while families of homicide victims and families of people



killed by impaired drivers comprise the remaining individuals who receive these services.

Domestic violence is a crime and will not be tolerated in Ontario. To seek new solutions, this government took definitive action to establish specialized domestic violence court projects at Toronto's old city hall and in North York. Launched in cooperation with judges, police, crown attorneys and victim/witness assistance programs, these new court projects have tested two different approaches to prosecuting individuals who assaulted their spouses.

In North York, the focus is on breaking the cycle of violence. In assault cases that do not involve serious injury or use of a weapon, first-time offenders plead guilty and participate in an intensive batterers' counselling program. The downtown Toronto court focuses on prosecution, employing improved investigation techniques such as use of 911 tapes to obtain better evidence and increase the chances of obtaining a conviction. Both projects provide support for the victim before, during and after court proceedings. As the coordinator of the Metro Woman Abuse Council has observed, "Both courts are vigorously prosecuting woman abuse cases by using hard evidence and providing more support to women victims."

The success of these projects has led the government to expand these concepts to six additional locations across the province as part of the government's Strategic Framework and Action Plan for the Prevention of Violence against Women, coordinated by my colleague the minister responsible for women's issues. The new court projects will be based in North Bay, Brampton, Oshawa, Ottawa, London and Hamilton. They will send a message that abusers will have to pay for their crime, and that every resident of Ontario has the right to live without the fear of physical abuse.

Let me move to our third theme: making our courts more responsive, more accessible and more efficient. This government is making unprecedented capital investments to bring the justice system into the 21st century. Since taking office, we have committed some \$215 million towards the construction of new court facilities across the province to provide faster and easier access to the justice system, improve security for court participants and streamline operations.

In Toronto we have built 32 new modern courtrooms at 393 University Avenue and we have upgraded facilities at 361 University. In Brampton we are building a new courthouse that will meet the needs of this growing area and consolidate court services now housed in seven locations. In Welland we are modernizing the historic courthouse to consolidate scattered facilities and resolve long-standing security concerns. We are also building court facilities in Windsor, Hamilton, Cornwall and Pembroke, and I expect more investments to be announced very shortly.

1550

This government will ensure that Ontario has the physical plant necessary to provide an accessible and efficient justice system in the future. No other government in Canada is making an investment of this magnitude in its

justice system. We are making that commitment in Ontario.

We are reforming the civil justice system in line with the recommendations of the Civil Justice Review, an in-depth two-year study undertaken by a task force representing the bench, the bar and the ministry, with extensive public consultation. Ontario's civil justice system will now provide more accessible, effective and economical service to its users.

This initiative corresponds to the public concerns expressed, for example, in letters I have received from taxpayers frustrated with the inaccessibility of the civil justice system. As one writer from Thunder Bay commented, "For the typical everyday citizen to file a civil action in Ontario, they do not only require a substantially high IQ, but also a very large bank account. Finally, they need plenty of time as it will take forever to see an end — if one is ever seen."

One key step we are taking is to expand case management, a process of managing the flow of cases through the system. Case management sets deadlines and puts responsibility for the progress of a case in the hands of judges rather than lawyers. This will help ensure that cases are not delayed indefinitely and will move through the system, avoiding backlogs and unnecessary costs to the parties.

In January 1997 we implemented case management fully in Ottawa, and in July 1997 we expanded case management in Toronto to cover 25% of all cases. Our long-term goal is to bring most civil cases in the province under case management within four years.

To ensure that case management succeeds, we have brought back the office of the master. I have appointed case management masters in Toronto, Ottawa and Windsor, and will be appointing more in the future. Having masters available to deal with procedural issues helps free up judicial time for substantive matters. As well, case management masters provide the necessary support to ensure that timelines are honoured and cases proceed more quickly.

The next key step in the transformation of the civil justice system is to introduce automatic referral to mediation for civil, non-family cases. Again, Ontario is leading the way among Canadian provinces. In the mediation process, a neutral person facilitates negotiations among the parties and assists them to arrive at their own mutually acceptable solutions.

Why are we moving to mandatory referral to mediation? The answer is because it works. A two-and-a-half year pilot project in Toronto found that 40% of all cases that were referred to mediation settled within 90 days. Typically, cases referred to mediation settled in half the time of cases that were not referred.

Under our new system, cases will be referred to mediation early in the litigation process. In cases that are not appropriate for mediation, parties will be permitted to opt out of mediation with leave of the master or judge. Mediator services will be provided by a list of private sector mediators. The parties will need the court's permission if they want to choose a mediator who is not on the list.

Local mediation committees will be formed to administer the program within their judicial districts. These committees will include volunteer representatives of the mediation community, the bar, the public and the ministry. Their role will be to compile and manage the list of mediators, set tariffs, monitor mediator performance, and respond to public complaints. The Ministry of the Attorney General will approve selection guidelines for mediators, and the local mediation committees will apply these guidelines.

A rule of civil procedure is being developed to establish the mediation program. Implementation of this model has already begun in Ottawa on a pilot project basis. The program will begin in Toronto later this year and will then be phased in province-wide over the next few years. Cases where mediation does not lead to a settlement will of course continue down the traditional litigation path.

Mediation does not have to produce a settlement to be useful. It can help to narrow down the issues or resolve procedural questions — when to exchange documents, for example — and therefore speed up the process.

The Toronto pilot found that both lawyers and their clients welcomed the referral to mediation. More than 95% of the lawyers involved said they would participate in the program again, and 62% said they would not have done better at trial than they did through mediation. In addition, almost three quarters of the lawyers and clients thought costs of reaching a settlement would have been higher without the referral to mediation.

By promoting mediation early in the litigation process, we are saving the parties time and money. This initiative means more accessible, more efficient and more effective justice. The time has come to make this alternative form of dispute resolution available to all who use the civil justice system.

A development that affects our courts is the introduction of child support guidelines by the federal government, effective May 1, 1997, together with changes to the income tax treatment of child support payments. We in the provincial government are doing all we can to minimize the difficulties and uncertainty Ontario families will face as a result of this federal initiative.

I now have legislation before the House that will bring Ontario's Family Law Act into line with the federal guidelines. Bringing in parallel provincial legislation is something family law experts told us is the right thing to do, and we are doing it. When the bill is passed, the same rules will apply whether child support is payable under the federal Divorce Act or the provincial Family Law Act. All Ontario families will be treated equally.

The ministry is also providing information services to help parents understand the guidelines and, ideally, to reach agreements before deciding to go to court. We have set up a toll-free information line, prepared an information kit and placed trained support staff to provide information in every Ontario family court location. In addition, we are working with lawyers' groups across the province to offer community information sessions, which will be held in 43

locations in October and repeated over the next few months as demand warrants.

At the Ministry of the Attorney General, we are continually reassessing what we are doing and how we are doing it. In consultation with our stakeholders, we have reviewed every aspect of our programs, services and organizational structure, and have identified activities and services that can and should be operated more effectively and efficiently. Internally, we have eliminated management layers and reduced the number of regions in our two largest divisions, courts administration and criminal law, by one quarter. This leaner ministry structure will lead to a more efficient organization and greater accountability, and will save taxpayers money.

Last year the ministry began major changes to the family support plan. The plan we inherited in June 1995 was broken. Under that plan, arrears in support payments owing to children and women in Ontario were growing by more than \$100 million a year, a truly incredible amount. Cumulatively, those arrears now total more than \$1 billion. This is money families have had to do without, so children are not sharing fairly in their non-custodial parent's resources and are not getting as good a start in life as they deserve. In some cases the lack of this money has forced parents on to social assistance to cover the necessities of life.

When I arrived in this portfolio, it was clear the plan needed a complete overhaul. While the transition has been difficult, this overhaul had to be done. My predecessors just let the arrears climb and climb. They claim to care about people, but what about the people who depended on the hundreds of millions of dollars that went uncollected year after year?

The Family Responsibility Office is the new name for the family support program. It reflects the transformation of the program from an agency that merely processed cheques to one that now aggressively pursues delinquent payors to get the children of Ontario the money to which they are legally entitled.

As you know, the Legislature has enacted the Family Responsibility and Support Arrears Enforcement Act, which provides the enforcement tools necessary to track down parents who do not support their families. In May 1997 the government proclaimed part of the act which, among other measures, allows us to report payors in default to credit bureaus. To date, some 63,000 deadbeat parents have been reported to credit bureaus, and their delinquency will now show up on their credit record.

Soon we will be arranging for private collection agencies to pursue long-standing delinquent accounts, and in the fall we intend to introduce driver's licence suspension as an enforcement tool. People who have not met their family support responsibilities for long periods and have not made repayment arrangements will find themselves unable to drive on Ontario's roads.

The provincial budget this spring provided \$5 million in annual funding to implement these new, proactive enforcement measures. Specially trained client service associates are now focusing on enforcement. They are being



equipped with the latest technology, such as automated file retrieval systems, to work efficiently.

I am also pleased that cabinet has recently approved a further \$2.2 million for customer service enhancement funding. This will allow us to assign staff to deal with routine inquiries so client service associates can focus on assisting clients and enforcing support orders. This funding will also accelerate the pace of clearing the backlog of paperwork found when the regional offices closed in the fall of 1996.

**1600**

**The Vice-Chair:** Minister, could you stop there for a second? Your 30-minute time limit is up. However, with all-party support and agreement, we can allow you to finish. I would say the minister has about another five minutes to go. Is that agreeable to the committee members? Thank you. Continue, Minister.

**Hon Mr Harnick:** Thank you.

The backlog from the old plan consisted of more than 90,000 pieces of unanswered correspondence, court orders, financial adjustments and cost-of-living changes, further evidence that the plan was in disarray. We have now reduced the backlog by more than half, to less than 38,000 items, and we are assigning staff to step up the attack.

As I've stressed, we have shifted emphasis from processing cheques to collecting arrears. One reason we are able to do this is that the cheque-handling function is operating efficiently. Support payments are now processed in partnership with a private sector financial institution. In 95% of cases, the time to get cheques to recipients has been speeded up to one to two days, compared with a norm of up to a week in previous years and compared with up to 10 working days in two other provincial enforcement plans with less than a third of Ontario's caseload.

Customer service is also improving. About 65% of callers now get through to the office, compared with just 6% before the plan was restructured. Of course 65% is not enough, and we will continue to increase our telephone response rate. To enable us to do this, we are adding new client service associates and intensively training those who recently started. We have set up a mini call centre to handle payment inquiries and are routing appropriate calls to this service through the automated phone system. This fall we will introduce new technology such as document scanning and imaging, which will save time by bringing the document immediately to the computer screen while the caller is on the line. Since many phone calls concern items in the backlog, we expect the number of calls to decline as the backlog is cleared.

It is worth noting that the Family Responsibility Office has more than three times as many front-line staff dealing directly with clients as the family support plan did. These front-line staff have the skills and authority to resolve clients' problems directly and promptly, instead of having them go through as many as 13 different employees, as was the case before.

Another provision of the new legislation proclaimed in May keeps our election promise to give parents the choice

of opting out of the program. Including responsible parents in the program in the first place is an example of how Ontario was over-governed between 1985 and 1995. Now responsible parents can avoid unnecessary government interference.

In short, we are rebuilding this program from top to bottom to focus on getting more money to children and women. We are transforming the office from a paper-driven cheque-processing operation into a proactive, aggressive enforcement agency committed to ensuring that delinquent payors meet their responsibilities.

Let me turn to some further initiatives that represent new ways of doing business in the justice system.

Justice is very much a local issue. This fact is recognized in the Who Does What initiative to eliminate government waste and duplication. In line with the Crombie task force recommendations, we intend to transfer to municipalities all the remaining administrative functions and some of the prosecutorial functions under the Provincial Offences Act. Along with the new responsibilities will go the associated fine revenues, creating a new revenue source for municipalities. This initiative builds on the successful transfer to municipalities, four years ago, of responsibility for administering their own parking tickets.

The changes mean that all administrative functions and prosecution of ticketable offences under part I of the act, as well as administrative functions for part III offences, will be transferred to the municipal level. The province will continue to prosecute part III offences, which are more complex, concern community safety and can result in jail sentences, and will continue to set and monitor standards for the administration of justice across Ontario. The enabling legislation, as you know, is before the House, and we plan to phase in the transfer over the next two years.

The previous government negotiated a four-year memorandum of understanding on the Ontario legal aid plan, but failed to follow up with leadership to ensure that the plan operated within the agreed-upon budget. It was left to this government to put an end to the days of issuing a blank cheque for legal aid. We made a commitment to honour the funding levels guaranteed by the previous government, but we also insisted on financial stability.

With the finances on track, we are now turning to more fundamental questions. Last December, I commissioned the first comprehensive review this plan has undergone in its 30-year history. Our goal is to ensure that we are providing the maximum amount of quality legal aid services to those in need, within our budget of more than \$200 million annually.

The report of the legal aid review panel, chaired by Professor John McCamus, will soon be released. I understand that the panel met with major legal and judicial groups, conducted public hearings in seven locations around the province and received nearly 170 written submissions. The ministry will carefully analyse the panel's findings and then make recommendations to the government on how to proceed in designing a legal aid plan that will meet Ontario's needs into the next century.

I want to discuss another initiative in which we are involved that has been described as one of the biggest justice modernization projects in the world today. It is one of the most exciting information technology projects to be undertaken by any government anywhere.

By working with a private sector partner, we will use information technology to integrate and electronically link all parts of the justice system, including the courts, prosecutors, police, judges and corrections.

We will build an advanced information network that will link police to crowns and crowns to defence lawyers so we don't have to duplicate paperwork every time a charge is laid. In civil suits, our new system will allow lawyers to electronically file a statement of claim or defence from their own offices, drastically reducing the need to file and store paper documentation.

The network will enable us to run a full-fledged case management system to keep track of every civil and criminal case. This will improve court scheduling and save time and money for everyone.

The system will also increase the safety of police officers on the front line by making available up-to-date information about offenders, and it will give parole and probation officers ready access to the information they need to provide effective supervision.

In short, the integrated justice system will get us out of the paper era and into the computer era.

Let me add that what we will call the integrated justice project actually includes a series of projects, some of which have already begun, such as the civil case management initiative I mentioned and the electronic filing pilot project that is getting under way in Toronto. In the latter project, 95 law firms will participate in a system of electronic filing of civil court documents, operating 22 hours a day, seven days a week.

This integrated justice project will lead to the investment of millions of dollars in computer hardware, software and training. To finance the project in the current fiscal climate, we are turning to the private sector for innovative solutions. We are negotiating with a partner who will provide the new technology and who will be paid out of the efficiencies the new technology brings to the justice system. We expect the project to begin soon, with most of the work taking place over approximately five years.

As an OPP sergeant assigned to the project has remarked, "Officer safety, and public safety, are increased by sharing the most accurate data available between police and the whole justice community." By adopting 21st-century technology and processes, we will truly be able to get the most from our resources.

Our agenda for the justice system is the most proactive and forward-looking in years. I want to stress that it is an agenda we are carrying out in partnership with the people who make the system work. Together, we have contained the backlog pressures in our criminal courts and we are turning our attention to long-term solutions. We have begun to restore balance in the justice system, with due emphasis on victims' rights. We are expanding domestic

violence court projects to hold abusers accountable and protect and support their victims. To protect children, we are aggressively targeting \$1 billion in support arrears. We are streamlining the civil justice system, reviewing legal aid and building new courthouses. And, through investment in new technology, we are moving the justice system into the information age.

In the year ahead, we will continue the vital mission of modernizing Ontario's justice system. We must, and we will, build a more effective, accessible and affordable system, one that delivers fair results in a reasonable time at a reasonable cost, one that preserves safe and secure communities and one that contributes to our province's social strength and competitive economic position.

I'm looking forward to discussing these issues with this committee over the next few days.

**1610**

**The Vice-Chair:** Thank you, Minister. You've used 12 minutes of your right to rebuttal, so you'll have 18 minutes left at the end of the half-hours for the official opposition and the third party.

Before we move to the official opposition, the minister has informed me that he has a meeting; he has to leave at 5:30. Could we get all-party consensus that this meeting will adjourn at 5:30 today? Agreed. Thank you.

We'll move to the official opposition.

**Mr John C. Cleary (Cornwall):** Thank you, Minister. We generally get a copy of those notes that we can highlight as we're going through.

**Hon Mr Harnick:** Do you want me to make copies of this and get them to you for tomorrow, or do you want us to have them delivered to your office for tomorrow morning?

**Mr Cleary:** We can pick them up tomorrow. It would be nice to have them.

**Hon Mr Harnick:** My apologies.

**Mr Cleary:** The first thing is you had spoken about all the things you're doing in the justice system for young offenders. I am not hearing that there's been much of an improvement since this government took over; at least, that's not what the police and the lawyers are telling me in my area. I'd just like to know, what are you doing?

**Hon Mr Harnick:** In the area of young offenders — and I'm only dealing with the issue from the side of the Ministry of the Attorney General — we have consistently and continually urged the federal government, your federal cousins, to take steps to reform the Young Offenders Act in a way that goes beyond tinkering.

I have been to two federal-provincial justice ministers' meetings now and we have urged the minister — and now we have a new minister — to deal with looking at 16- and 17-year-olds as adults for the purpose of prosecutions. We've talked about the legal aid issue, where it is now possible for any young offender, in spite of the fact that his or her parents may want to provide legal services for them, to appear before a judge and request legal aid. We don't think that promotes a close family relationship, nor is it a responsible way for the justice system to proceed with these cases.



We have talked to the federal minister about certain areas where we think publication of a name might be realistic, rather than always dealing with young offender matters in anonymity.

I can tell you that we have urged the federal Minister of Justice — and I wish you'd speak to her as well — to talk about how difficult the provisions are for police officers to take statements from young offenders and how technical the provisions are in taking a statement from a young offender, because quite simply those overly great technical requirements are preventing realistic and necessary prosecutions on the merits. I think that's very significant.

It's no secret — I've said this — that young offenders who are violent offenders and repeat offenders have to be sentenced upon conviction in a pretty severe and sharp way. As well, we have to take a look at doing a better job with the Young Offenders Act at the front end of the system, where young offenders who commit minor crimes are made to pay back the community by way of community service, by way of apologizing to the victims of the crime, perhaps in some cases looking at innovative solutions dealing with some of the techniques of mediation, ADR-type solutions.

One of the things that happens today is that because of the way we've dealt with these cases, young offenders are given immediate discharges and the system doesn't mean anything to them, and they become repeat offenders. I would very much like to take a look at a wide array of those kinds of programs. It's been impossible to do that because the federal Minister of Justice has indicated that he is going to be reducing funding.

**Mr Michael A. Brown (Algoma-Manitoulin):** She.

**Hon Mr Harnick:** She, I'm sorry. I keep thinking of Mr Rock, because he's the one who told us this personally. It was the former Minister of Justice's direction to reduce funding to the provinces, particularly to Ontario and a couple of other provinces, that is used in the area of corrections. Without that funding, we would be compromising our ability to impose the kinds of sentences that are needed for violent offenders.

**Mr Michael Brown:** So the problem is there isn't enough money?

**Hon Mr Harnick:** No, the problem is that we've been told the existing money is going to be reduced. If you could tell —

**Mr Michael Brown:** So there isn't enough money, or there won't be?

**Hon Mr Harnick:** No, the best we can do is maintain the status quo in the area of corrections that we now have. But I'd like you to —

**Mr Michael Brown:** But you're cutting \$5 billion from your own revenues, so how could it be a money problem?

**Hon Mr Harnick:** In terms of our own revenues, there are no cuts being made to front-line services, certainly in the area of young offenders. This is more in the area of the SolGen's purview —

**Mr Michael Brown:** Oh, yeah.

**Hon Mr Harnick:** If you'd let me finish instead of interrupting —

**Mr Michael Brown:** I'm sorry.

**Hon Mr Harnick:** If you don't want to hear the answer, I won't give it to you.

**The Vice-Chair:** Okay, Minister. Let's hear the answer.

**Hon Mr Harnick:** Certainly, the indication given by the federal government is that they are going to reduce moneys being transferred to Ontario for young offender purposes. If you're concerned about issues of money, you should go and speak to your federal cousins and tell them not to do that, so we can implement more innovative ways to deal with young offenders.

**Mr Cleary:** I get lots of complaints about break-ins and everything else that goes along with it — cars. Police catch them redhanded, waltz them into court on the weekends or on the Monday morning, and the most important thing seems to be — they're caught redhanded — that they all have legal representation. That's the most important thing there, even though they're caught right in the act. Before that day is over, they're probably gone again, after they've put people through all kinds of inconvenience and everything. You think it's a federal problem.

**Hon Mr Harnick:** You're kind of losing me with your question, because what you've indicated is that because all these young offenders have legal advice, even though they were caught redhanded, they get off. I don't know that I particularly follow or agree with that argument. I think accused people are in many cases entitled to legal representation and I don't think there's anything wrong with having it. That's a difference of opinion between you and me, I guess.

**Mr Cleary:** If I said they got off, I apologize for that. I'm not saying that. When they appear in court, that seems to be the most important thing, no matter what they put anyone else through.

The victims' rights, would that be young offenders, this \$1 billion you say you're putting into that, victims' rights?

**Hon Mr Harnick:** I didn't say we were putting \$1 billion into victims' rights, but we have within the Victims' Bill of Rights enshrined the victims' justice fund. Every time there is a fine collected, there's a surcharge on the fine. That money goes into the victims' justice fund and we have used that fund to increase the victim-witness assistance program, which is going from 13 locations to 26. We've also enhanced a number of those original 13 locations with extra people to meet the demand of victims who are accessing the victim-witness assistance program in those jurisdictions.

1620

**Mr Cleary:** You mentioned the faint hope clause there. Are you joining with the other provinces? Is there an agreement among the other provinces?

**Hon Mr Harnick:** I don't know that there's an agreement with the other provinces. I attended before the Senate when they were reviewing the faint hope clause. I urged them to recommend that the faint hope clause be repealed. Unfortunately it wasn't, and you had the fiasco of putting

all the victims through the Clifford Olson hearing. I know they've made some changes to the faint hope clause so serial killers won't have that opportunity again, but I don't think it's enough; I think the faint hope clause should be repealed. I hope you tell your cousin the Minister of Justice to do that.

**Mr Cleary:** That's the province of Ontario's position, then.

**Hon Mr Harnick:** That is.

**Mr Cleary:** Fine.

Do you think domestic violence is better than it was two years ago?

**Hon Mr Harnick:** I don't know the answer to that. Domestic violence is bad now and it was bad two years ago, and any domestic violence is bad in the future. We are developing responses within the justice system that permit us to deal more effectively with issues of domestic violence and abuse. We have opened two pilot projects in Toronto. They've been anecdotally very successful projects, and that's why we announced very recently that we're expanding that project to six more sites.

The anecdotal evidence, the information being obtained from crown attorneys, has indicated that the response the justice system is now making to issues of domestic violence and abuse is a better and more appropriate response.

**Mr Michael Brown:** I'd like to thank the minister and his staff for appearing this afternoon.

The first question would be the same question I asked your colleague the Minister of Natural Resources, or a similar question. As you know, the provincial park at Ipperwash is closed, has been closed now for almost two years. As a matter of fact, it closed on Labour Day of 1995. Who gave you the instruction, "Get those effing Indians out of the park"?

**Hon Mr Harnick:** I've never heard that, other than that comment being contained in questions in the Legislature, so I can only say I don't know the answer to that question. I don't know how accurate the question is. I have no idea.

**Mr Michael Brown:** Can you give me an indication of when the Ministry of Natural Resources indicated to the Ministry of the Attorney General that they wished the Ministry of the Attorney General to take legal action to remove the Indians from the park at Ipperwash?

**Hon Mr Harnick:** I can't tell you when that took place. I don't know.

**Mr Michael Brown:** Is there no record of that?

**Hon Mr Harnick:** I'm not aware of when the Ministry of Natural Resources asked for that. I am aware that within a period shortly after the occupation, a day or two — I can't recall — a decision was made.

**Mr Michael Brown:** Could the minister undertake to look at his files and provide that information?

**Hon Mr Harnick:** It was within a day or two. That's the answer.

**Mr Michael Brown:** That's not a very precise answer.

**Hon Mr Harnick:** That's the answer.

**Mr Michael Brown:** Can the minister indicate to us what is the status? The ministry went to court to seek an

injunction to remove the first nations people from Ipperwash Provincial Park. What is the status of the injunction you sought?

**Hon Mr Harnick:** I believe the injunction application was withdrawn, and I believe the withdrawal of that application was on the date it was returnable. I think that was what happened.

**Mr Michael Brown:** I'm just trying to sort this out. So the application has been withdrawn.

**Hon Mr Harnick:** The application for the injunction was withdrawn.

**Mr Michael Brown:** We were told by the Minister of Natural Resources that once the park was occupied, they made the decision that they wanted the park unoccupied, even though it was closed. They just went through the legal process and the Ministry of the Attorney General then sought an injunction, but they just turned it over to your ministry.

Had the Ministry of Natural Resources then indicated to you that it is not a problem that there are Indians in the park? If you don't have an application any more to remove them, then it must be the government's position that it's fine for them to be there. Is that the position, given that we know there's a burial ground — I guess we don't know there's a burial ground, but we suspect there's a burial ground — in the park?

**Hon Mr Harnick:** I don't think what the ministry ultimately did on the recommendation of the lawyer who was handling the injunction application can lead you to the conclusion you're making, but if you want to make it, be my guest.

**Mr Michael Brown:** Who represented the ministry on the blockade committee?

**Hon Mr Harnick:** I'm not sure who was there for the Ministry of the Attorney General.

**Mr Michael Brown:** Was there a person?

**Hon Mr Harnick:** I assume there was, but I'm not sure who it was.

**Mr Michael Brown:** Would it be a political person, ie, someone on your staff, or would it be a bureaucrat?

**Hon Mr Harnick:** It would be a bureaucrat, to the best of my knowledge.

**Mr Michael Brown:** Was there any political representation from your staff on the blockade committee?

**Hon Mr Harnick:** I don't know that there was any political person on the committee.

**Mr Michael Brown:** "We've heard about your vast improvements to the justice system," he said cynically. What I would like to do is talk a little bit about my own constituency for a moment, where you have removed the crown attorney from the district of Manitoulin. We no longer have a crown attorney in one of the judicial districts. The incumbent is on a leave of absence and I believe has been gone now for at least 18 months. The ministry will not, in the interim, replace him.

We no longer have a crown attorney. It is being served, I'm told, by members of the local bar out of the Sudbury office, but in a less than stellar fashion, in other words, the crown attorneys, because there isn't even one dedicated to



the district of Manitoulin from the Sudbury office. I'm not blaming the crown attorneys. I think it's very difficult for them to be up to speed when they need to drive 200 kilometres and arrive in court, often under very difficult circumstances. My constituents happen to think that's less service, not better. Could I have a commitment from you that we will have the crown attorney back in the district of Manitoulin to serve the people in the district?

**Hon Mr Harnick:** Certainly, I'm concerned about what you're telling me. I will look into it. I'm not sure when the full-time crown attorney stopped being present on a full-time basis in Gore Bay, but I'll check that.

**Mr Michael Brown:** I can give you that. It's somewhere between 18 months and two years.

1630

**Hon Mr Harnick:** I have a sneaking suspicion, although I'm not sure, that that may have been a decision made under the last government. I'm not sure about that, but I'm more concerned not with which government made the decision, but with anything you could tell me about — you say the performance of the crowns is "less than stellar." I think those are the words you used.

I'd be very interested in receiving some concrete examples of that, because if that is the case, I want to know about it so we can make the necessary correction. I'd appreciate it if you could give me some examples of that. Obviously, you've been speaking very extensively with your constituents, so I wonder if you could provide me with some information about the different cases that haven't been well handled. If I know that's the case, I'm quite prepared to take a look at our ability to provide better service, which is something we want to do.

I know you've been speaking to your constituents. You have a big advantage over me because you're right next door. I'd be interested in meeting with you and finding out from you at first hand what kinds of problems your constituents have had, the dates of the cases that have been a problem, so we can check records. If we're able to do a better job, that's what we want to do. But do let me know, because I am concerned about that.

**Mr Michael Brown:** I'll give you one right off the top. It's a case having to do with Bayward Martin. The gentleman had been convicted and sentenced to nine years in federal penitentiary, I believe, and there was an appeal process that, at least from the view of the local bar and my constituents, was not handled, at least initially, very appropriately. That's one example, but there are many others.

**Hon Mr Harnick:** Let me respond to that. In any case, when there's a conviction and an appeal, the appeal wouldn't take place out of the Gore Bay courthouse. The appeal would take place at the Court of Appeal at Osgoode Hall. The crown law office at 720 Bay Street would look after the processing of those appeals no matter where in the province it happened.

**Mr Michael Brown:** But in order to do that, the crowns here need appropriate information coming from the local crown attorneys.

**Hon Mr Harnick:** I'm not aware —

**Mr Michael Brown:** Anyway, there are —

**Hon Mr Harnick:** No, let's finish this, because it's very important. I will check with 720 Bay Street and the crown law office, criminal, to find out if indeed in the case you mentioned the lawyers at 720 Bay Street who had to prepare the appeal had any difficulty accessing information from the prosecutor who was involved in that case. I'd do that.

My understanding is that shouldn't have been something that had a negative impact on our serving the public. That would be a problem, as you've described it, that would inconvenience a lawyer at the crown law office, criminal, at 720 Bay Street. That's something I'd like to know about as well. So we'll check that.

**Mr Michael Brown:** We would appreciate that, but the bottom line is, we believe, certainly my constituents believe, that until Mr Allison, the present incumbent, returns, there should be a crown attorney in the district of Manitoulin to deal with district cases. That's the bottom line.

**Hon Mr Harnick:** I await an opportunity at your convenience to get together with you to find out about the nature of some of the problems. I hope you'll take me up on that.

**Mr Michael Brown:** I certainly will.

**Hon Mr Harnick:** I'd like to hear about the problems your constituents are having so that we can provide better service, and indeed evaluate whether we should have a full-time crown attorney there. I'd like to see the information you have that's brought you to that conclusion so I can come to the same conclusion and then ask that the service be returned.

**Mr Michael Brown:** It is my information that the problem is there's a leave of absence of the incumbent, but the position is still there. It's just that there is nobody there to do it.

**Hon Mr Harnick:** I understand that, but I'd like to know what your information is about where the system is falling down. That would be very helpful. It's one thing to come in and say, "I've heard this, this and this." Lots of people can say that. But I know you've spoken to your constituents, because you've told me that, and I know if you told me that indeed it's true. I want to know what some of the problems are and get some of those minute details that I know you have. Then we can evaluate where we're falling down so that we can provide you with better service. That's what we want to do.

**Mr Michael Brown:** I appreciate that, Minister. We'll have that discussion.

I also want to talk about justices of the peace in general. As you know, in northern Ontario particularly this can be a difficult problem. We've been waiting for a justice of the peace appointment for the Elliott Lake area for quite some time. This is a community of 14,000 people that does not have a justice of the peace at the present time, since the retirement of the previous justice of the peace.

I've written to you on a number of occasions, I have lobbied you and the community has no doubt lobbied you

also. One of the difficulties is that Elliott Lake is almost at the edge of the judicial district of Algoma. It is a problem and has been a problem. I'm not sure that faxing for warrants is necessarily going to be the answer.

**Hon Mr Harnick:** I'm concerned about that. As a result of a conversion process begun under the last government, we have now taken a look and are evaluating the results of that conversion process. In some locations the results have been very good; in some they haven't been very good. We're taking a look at where the system needs more justices of the peace and where we are having some pressures. I have heard that the Elliott Lake area has been a problem, and I understand there has been a sharing with a couple neighbouring jurisdictions of justice of the peace services.

The other thing we're taking a look at is the idea of the telewarrant service, which I believe is going into effect right about now or within days — September 15. I think that will relieve a lot of the pressure so we can then make a final determination of where there are weaknesses in the system so we can provide more justices of the peace. We'll do that with the Elliott Lake area; I've got a number of other areas that we're having some problems in. We're going to take a look at how those areas are impacted by telewarrants, to then determine how great the pressures will still be so we can then decide where we want to make appointments for justice of the peace services. I understand your concern and we are looking at it.

**Mr Michael Brown:** I'm not a lawyer — I'll say that up front, waiting for the next lawyer to speak to you, but I'm a little concerned with these telewarrants. Obviously, the reason for warrants is to protect people from what might be intrusion by the state. Generally speaking, when a police officer is seeking a warrant he has to come before a justice of the peace and explain why he has reasonable belief that this may be necessary. The justice of the peace then decides yes or no. I'm just wondering how a telewarrant does that. The police officer is not present directly in front of the justice of the peace. Are you concerned about the quality of the judgement of the justice of the peace because he doesn't have the officer directly in front of him or her to make a judgement, that our protection as citizens of this great province and country may be impaired by that?

1640

**Hon Mr Harnick:** The assistant deputy minister responsible for criminal law is here, and he can tell you exactly how the system will work. My understanding is that affidavits will be before the justice of the peace. The affidavit will be a sworn document so that the same material will be in front of the justice of the peace as otherwise would be. Maybe if Graham Reynolds could —

**The Vice-Chair:** Could you put your name on the record, please.

**Mr Graham Reynolds:** My name is Graham Reynolds and I'm the assistant deputy attorney general in the criminal law division.

To answer the member's question, I would certainly agree with the minister that in no way is the decision-

making capacity of the justice of the peace affected by the new procedures. The Criminal Code was recently amended to allow the electronic transmission of these kinds of documents so they can get into the hands of the JP without the actual physical presence of the officer.

However, the nature of the decision to be made by the justice of the peace remains exactly the same. I think the citizens of Ontario can be assured, as are the rest of the citizens of Canada, that the actual decision-making ability of the JP is not impaired by not having the officer physically present. The nature of the process is exactly the same. The only difference is the amendment which permits the electronic transmission of materials.

**The Vice-Chair:** Thanks, Graham, and thanks, Mr Brown. You can follow up in your next round.

We'll now turn to the third party. Mr Kormos, you have half an hour.

**Mr Peter Kormos (Welland-Thorold):** There are so many areas here, but one response of the Attorney General that interested me was to Mr Cleary when Mr Cleary was putting to the Attorney General whether it was the preponderance of lawyers who were creating problems in the young offender system. The Attorney General responded that he didn't want to be associated with that suggestion. I wrote the words down, part of the Attorney General's response, "in many cases entitled to legal representation."

The Attorney General was referring, of course, to people who were arrested for young offender offences. That was in response to Mr Cleary's suggestion that maybe it was the lawyers getting these people off. Is that what the Attorney General recalls having said?

**Hon Mr Harnick:** I'm not 100% sure I understood Mr Cleary's question. I think anyone who is charged with an offence is entitled to be represented and should be represented. Sometimes that is impossible while other times it may not be. Legal aid provides representation for those who need it. Legal aid is run, as you're aware, by the law society, who prioritize cases and determine when legal representation should be provided. That's something the law society decides in terms of the way they run the legal aid plan.

**Mr Kormos:** I'm confident that the Attorney General accepts the proposition that every person arrested or detained has the right to retain and instruct counsel without delay.

**Hon Mr Harnick:** I agree with that 100%.

**Mr Kormos:** Every single young offender ever arrested or detained has that right.

**Hon Mr Harnick:** I wasn't sure what Mr Cleary's question was related to, so I apologize if my answer was not clear about that, but I don't disagree with you, Mr Kormos.

**Mr Kormos:** The Attorney General also expressed concern from this government's point of view about the technical requirements preventing realistic prosecutions on the merits of young offenders vis-à-vis the standard required in the courts of obtaining statements. Perhaps the Attorney General could be more specific about that.



**Hon Mr Harnick:** While I don't have the legislation in front of me, police officers and other legal observers have noted that the technical requirements of taking a statement from a young offender are very onerous. Again, Graham Reynolds is here and he may want to comment on that, but it is an area that has been looked at in terms of reform of the Young Offenders Act. It has been expressed by peace officers how difficult it is to take a statement and comply with all the technical requirements at times when to miss some of those technicalities is not prejudicial to a young offender. Nevertheless, cases are not proceeding on the merits because of that. The assistant deputy minister might be able to give you some of the requirements that appear in that act.

**Mr Kormos:** I can understand how, early in the game, if you will, of the Young Offenders Act police were uncertain as to what particular provisions meant and what the application involved. There were numerous decisions that flowed in the early years of the Young Offenders Act.

My experience with police officers in the province is that they understand full well the requirements. There's no longer ambiguity. I'm wondering if the Attorney General would comment on whether the obligation to inform the young offender of their right to retain and instruct counsel without delay is one of the technicalities.

**Hon Mr Harnick:** No, I don't think that is one of the areas, but there are a number of other technical requirements. I don't have the act in front of me, so I can't go through them step by step.

**Mr Kormos:** I'll put to the Attorney General, is it the obligation to advise the young offender that he or she has the right to have a parent or other adult present? Is that the type of thing?

**Hon Mr Harnick:** I'm not sure of that. But again, the assistant deputy minister is here, so he can advise you of some of those technical requirements.

**Mr Kormos:** You will in a minute.

I don't think anybody here disputes the need to have debate about the adequacy or inadequacy of the Young Offenders Act. But I think some people are concerned about the nurturing of mythology to bolster a particular point of view. The Attorney General speaks of the prosecutions having been prevented as a result of this difficulty in obtaining statements from young offenders. Anecdotally, I understand that was the case early on, when people in the system didn't have judicial interpretation of the act. Could he give us some idea about the number or percentage of cases that have been inhibited by virtue of prosecution as a result of the failure to comply with the standards required for the taking of a statement?

**Hon Mr Harnick:** No.

**Mr Kormos:** How can you speak of there having been a prevention of realistic prosecution on the merits as a result of those standards? Are you speaking of that merely anecdotally?

**Hon Mr Harnick:** It has been expressed; it has been the subject of significant study and discussion at federal-provincial meetings. I know there have been federal-provincial working groups at the bureaucratic level that

have looked at it, have made those recommendations and have asked for some of those changes to be made.

**Mr Kormos:** The Attorney General speaks of there having been prosecutions that were prevented as a result of the statement-taking requirements. Has he then had expressed to him some data concerning the number that were involved?

**Hon Mr Harnick:** At one time I assume I have been, but I don't know the numbers, and I don't know whether it's going up or going down, so I can't tell you.

**Mr Kormos:** You also speak of young offenders getting discharges and then being sent off and left with the impression that the system is easy to beat.

**Hon Mr Harnick:** No, I didn't say that.

**Mr Kormos:** No, I said that. Are you suggesting that our provincial judges are inappropriately giving discharges?

**Hon Mr Harnick:** No, I didn't say that either, Mr Kormos.

**Mr Kormos:** That's why I asked you the question. Are you suggesting that the discharges that are being given are contrary to the Young Offenders Act?

**Hon Mr Harnick:** No, I didn't say that. I said I believe in a great many very minor cases judges are giving discharges because that's what they have in front of them that they're able to give that is realistic in the circumstance. What we have to do as an administration of justice is what they've done in some of the other provinces, where they've set up youth justice committees that become responsible for implementing sentences that are more community-based. We haven't done that in Ontario. I think we should be taking a look at it, and indeed we will be. We have to take a look at the range of those alternatives and make them available to our judiciary so they have a wider discretion in the kinds of remedial justice opportunities. That's something other provinces have done. I know they've done it in Manitoba and Alberta very successfully.

**1650**

**Mr Kormos:** What part of the powers given to a judge to impose a term of probation under the Young Offenders Act would prevent that judge from imposing the types of conditions you speak of: an apology to the victim, community work?

**Hon Mr Harnick:** We don't have the array of programs to provide community work or those kinds of diversion programs, so a judge is limited. Probation is not always the best way to deal with those kinds of restorative justice options. We've had a system of probation in Ontario from time immemorial, but I don't think some of the innovative opportunities that have been taken in other provinces have been taken here. To do that would be in line with greater restorative justice opportunities.

**Mr Kormos:** This has nothing to do with the Young Offenders Act, but it has everything to do with the province providing the resources to enable these alternative modes of disposition to be engaged in.

**Hon Mr Harnick:** It also means taking a look at the existing resources and maybe finding further resources. But as it's now constituted, my understanding is that the

federal government is going to reduce the moneys they contribute towards the corrections side of young offenders, and that makes it more difficult to deal with looking at new restorative justice opportunities.

**Mr Kormos:** You also spoke — and I don't dispute this — about a belief among Ontarians that crime has increased. That was in the early part of your comments. I agree with you; my sense is, there is a belief that crime has risen. You were very careful in expressing it that way. Do your data demonstrate an increase in crime?

**Hon Mr Harnick:** No, the data indicate that in the last few years there has been a decrease in crime. What concerns us is that people don't notice that. I don't know whether it's because the reporting of crime issues is better today, maybe there's a greater emphasis on reporting that, but as I indicated, people's perception is quite the contrary.

**Mr Kormos:** And people's perception doesn't jibe with the hard data you have available to you.

**Hon Mr Harnick:** There has been a slight reduction in crime, as I understand it, over the last several years.

**Mr Kormos:** As compared to the popular belief that there's been an increase.

**Hon Mr Harnick:** I think that's correct.

**Mr Kormos:** You prefaced your statement by expressing an observation about the belief in the increase in crime and your proposals being a response to that. Rather than responding to the myth, why wouldn't your ministry attempt to dispel the myth that crime has risen?

**Hon Mr Harnick:** We're trying to do that. One of the ways we're doing that is by trying to take a look at reducing backlogs, because that gives people the impression that we have a justice system that can't keep up with the demand. We're implementing better procedures to do that. As you're aware, we've made the funding for the investment strategy a permanent part of our budget. We're taking a look at a phase 2 of the Martin criminal justice review. All that, at least from the point of view of the Attorney General's ministry, is being done to streamline the justice system and make it operate in a more efficient way, not to jeopardize prosecutions.

**Mr Kormos:** You spoke of creating the modern, accessible, effective system that Ontario needs. You also said, and I recorded this as you said it, you're "frustrated with the inaccessibility of the civil justice system." How, then, do your new fees in the Small Claims Court system jibe with your desire for a more accessible system?

**Hon Mr Harnick:** About 70% of the users of the Small Claims Court system are institutional users who use the court as a facility to enhance debt collection. Those include to a very large degree banks, collection agencies, those kinds of institutional businesses. What we have done is taken a look at implementing a higher level of fees for multiple users of the system.

In addition, we've taken a look at some increases for users of the system who are not multiple users, so fees could be brought into line with ensuring that the government is not subsidizing a court system for institutional users of that system and so the court operates in a way that

covers its costs without needing to be subsidized. We've taken a look at that; we've taken a look at a number of options in terms of ensuring that our Small Claims Court remains a viable institution. I have determined that the traditional availability of Small Claims Court as it's now constituted is important to the public. We looked at alternatives that would have radically changed the nature of the court.

**Mr Kormos:** I don't like banks either, and I hear — was it 70%?

**Hon Mr Harnick:** No, Mr Kormos, I didn't say I didn't like banks. I said very carefully that I don't think the province should be subsidizing multiple institutional users of the court.

**Mr Kormos:** You spoke of some 70% — I hope that was the number — who are institutional plaintiffs, people using the Small Claims Court system to collect moneys and debts. Was 70% the number?

**Hon Mr Harnick:** That's it, yes.

**Mr Kormos:** You're obviously addressing the frequent-user fee, the little surcharge for people who use a Small Claims Court more than 10 times a year.

**Hon Mr Harnick:** Yes.

**Mr Kormos:** But is anything you've said a justification for a brand-new fee of \$25 for the poor defendant who wants to defend an allegation made against him in Small Claims Court?

**Hon Mr Harnick:** If the plaintiff has to pay to initiate a claim, why can't the defendant pay if he wishes to defend, particularly in a system where a judge at the end has discretion to order costs that might reimburse a defendant who was improperly brought into an action? That's the beauty of our system. We have a costs system. The person who really loses the action bears the costs. In our Small Claims Court, that is very much confined to disbursement costs.

**Mr Kormos:** You have no concern about a \$25 fee for filing a statement of defence inhibiting the ability of impecunious people to defend themselves against unwarranted claims?

**Hon Mr Harnick:** We have not seen an indication that this will inhibit people. We will watch that very closely because we have changed the system. We believe the issue of costs is the great equalizer in terms of reimbursing someone who shouldn't have been brought into the system. But again, we will look at that very carefully.

**Mr Kormos:** We're not talking about increasing a fee here, we're talking about a brand-new fee that never before existed in the Small Claims Court system. Are you suggesting the historical absence of a fee to file a statement of defence was an injustice for defendants in the past?

**Hon Mr Harnick:** What I can tell you is that the vast majority of cases, particularly collection cases, involve a default judgement. That's very much the case even where there was no fee. That's been the experience within the Small Claims Court. Again, I appreciate what you've indicated. We will watch that very closely. It has not been



the case in the General Division that disbursements have been something that prevents access to justice.

**1700**

**Mr Kormos:** Except one of the rationales for Small Claims Court is that it's a people's court. It's designed to be utilized by people without involving high-priced Toronto lawyers.

**Hon Mr Harnick:** I agree with you. I don't think the changes to disbursements are in any way going to mean that a party in a Small Claims Court is going to need high-priced counsel.

**Mr Kormos:** Are you suggesting that a Small Claims Court judge has an inherent jurisdiction to hear an application from a defendant for leave to file a statement of defence without paying a \$25 fee?

**Hon Mr Harnick:** That may be the case. I don't know the answer to that.

**Mr Kormos:** Would you encourage impecunious defendants to appear before Small Claims Court judges seeking leave to file a defence without paying a fee, in view of what you've said about the scenario?

**Hon Mr Harnick:** Certainly, if there is a problem with access to justice in those cases, that is something that may be solved.

**Mr Kormos:** I understand that you can't direct the hand of judges, nor would you want to. Would you encourage Small Claims Court judges to accept the inherent jurisdiction they have to hear such an application?

**Hon Mr Harnick:** My understanding of the Small Claims Court is that it's a court of equity. That would be a remedy that would be available. But judges don't need encouragement from me, nor should they have it.

**Mr Kormos:** You say you're seeking longer sentences for given crimes, in your discussions with the federal government.

**Hon Mr Harnick:** No. I think what I said is we've set up among crown attorneys a review of sentencing procedures to ensure that appropriate sentences are being sought for different convictions under the Criminal Code. If I've said anything other than that, I want that to correct the record.

**Mr Kormos:** Perhaps you'd take a look at your written notes, because you spoke of that in the context of the reform package of amendments to the Criminal Code of Canada, facilitating longer sentences for given crimes.

**Hon Mr Harnick:** If that's the conclusion that a committee of practising crown attorneys came to, it would be something that would be brought to the attention of the Minister of Justice so that changes could be made.

**Mr Kormos:** I may have misinterpreted it when you said it, because of course, like Mr Cleary, I was just listening to you; we didn't have your notes. You talk about reducing procedural delays in criminal prosecution and seeking Criminal Code amendments in that regard. Exactly what kinds of things are you talking about?

**Hon Mr Harnick:** Mr Reynolds is here, but certainly we know that as the process now exists — and you would probably know this better than I, because you were once a criminal lawyer — there are a number of appearances that

have to be made by an accused person, particularly if that accused person is incarcerated. We are taking a look at modern technology to allow video remands and some of these electronic means to provide someone with the ability to make their appearance at the least cost and inconvenience but yet have that opportunity in a more modern way.

**Mr Kormos:** What does that have to do with reducing the delay, however?

**Hon Mr Harnick:** In Scarborough we took a look at how crown procedures were delaying the process. The crown attorney in Scarborough made some significant changes to the process he follows so that the number of appearances by an individual has been reduced and disclosure to an accused has been enhanced. As a result of some of those internal procedural changes, we are now getting accused people a trial date faster than we were able to before.

**Mr Kormos:** I understand that disclosure was enhanced as a result of an Ontario Court of Appeal decision.

**Hon Mr Harnick:** Our ability to work with police officers, for instance, to ensure that we get disclosure on an even faster basis provides us with an opportunity to streamline the system. For instance, in Newmarket, where changes have been made, we were giving out trial dates at the beginning of the blitz process that were 10 months away. We weren't complying with the Askov rule of eight months. Today we're giving trial dates in Newmarket within two months of an appearance, because we've been able to reduce the number of times a person has to come to court. We've been able to provide faster disclosure by working with police, thus streamlining the system.

**Mr Kormos:** How many crown attorneys are employed in the province of Ontario?

**Hon Mr Harnick:** I think we now have 500 and some crown attorneys, and we've enhanced the numbers over the last year by about 10. I think that's the number we now have.

**Mr Kormos:** I have no idea what the previous numbers were. How does that compare to, let's say, the last 10 years?

**Hon Mr Harnick:** I suspect those numbers are up over the last 10 years. Certainly they're up over the last year. They're up over the number of crown attorneys there were when I became the Attorney General.

**Mr Kormos:** I don't think that would be hard data to determine. Perhaps we could have a profile of the number of crown attorneys for, I'd say the last 10 years would be an interesting observation.

**Ms Andromache Karakatsanis:** Certainly, we could obtain that.

**Mr Kormos:** How many of these crown attorneys are mere contract employees?

**Hon Mr Harnick:** I'm glad you asked that question, because we are in the —

**Mr Kormos:** You and I had spoken before and you asked me to ask you. I'm sure people around here will believe that.

**Hon Mr Harnick:** We are now embarked on a process of converting contract crown attorneys to becoming full-

time crown attorneys, with the benefits package that comes with that. One of the things that happened when your government began to deal with the Askov issue was that they went out and hired a significant number of crown attorneys to deal with the backlog and to deal with the Askov crisis. They hired those crown attorneys on contract and left them on contract for several years.

I have had the opportunity to review and understand the work those crown attorneys do. Initially, they were brought in to prosecute minor cases, to free up more senior crowns to be engaged in the screening process. That was the initial work they were doing, but after a few years in the system these crown attorneys have obviously graduated to doing much more complex work. I didn't think it was right that they be left indefinitely as contract crowns, so we are now taking steps within the criminal division to transfer a number of them to full-time assistant crown attorney status.

**Mr Kormos:** How many are contract right now, of the 500-plus?

**Hon Mr Harnick:** I'm guessing. I think it's around 35 or 45 who would be eligible for the transfer. I could be out in that number, but I think —

**Mr Kormos:** The increase by 10 that you speak of, that you indicate is as a result of your hiring, were these contract crown attorneys that you hired?

**Hon Mr Harnick:** They probably were, because it would be —

**Mr Kormos:** Wait a minute, your staff —

**Hon Mr Harnick:** No, I think Graham Reynolds is nodding affirmatively.

**Mr Kormos:** Your staff beside you is shaking her head.

**Ms Karakatsanis:** I was trying to determine if it was a nod or a shake.

**Mr Kormos:** In some parts of the world, in some ethnicities, in some language cultures, this means yes and that means no.

**Ms Karakatsanis:** In the Greek culture, Mr Kormos.

**The Vice-Chair:** Continue, Mr Kormos. You have another two minutes.

**Mr Kormos:** What was it, and in which language?

**Hon Mr Harnick:** Do you want me to answer the question? The answer is that they would be hired on contract because I think it would be inappropriate to provide assistant crown attorney status on a full-time basis or a non-contract basis while we have contract crowns.

1710

**Mr Kormos:** Are people being taken off contract and on to assistant crown attorney status by virtue of seniority?

**Hon Mr Harnick:** That is presently being worked out, so I can't answer that question.

**Mr Kormos:** The Ontario Crown Attorneys Association has been consulted and is being dealt with in this area?

**Hon Mr Harnick:** We are working with Sarah Welch, who is the president of the crown attorneys association. They are very pleased that we're taking this step. We are

working with them in determining how we want to do it so it can be properly effected, hopefully as soon as possible.

**The Vice-Chair:** Thank you, Mr Kormos.

**Mr Kormos:** Thank you, Chair, until tomorrow.

**The Vice-Chair:** Attorney General, you have the right of reply. You have 18 minutes left. You can do one of two things, with unanimous consent. You can use the 18 minutes to make a statement, for which you don't need unanimous consent, but if you want to entertain questions from the government members, then we need unanimous consent. What would you like to do?

**Hon Mr Harnick:** If I don't wish to do anything, do we all get to go home?

**The Vice-Chair:** No, that's not one of the choices.

**Hon Mr Harnick:** I'd be delighted if my colleagues want to ask some questions.

**The Vice-Chair:** Do we have all-party agreement? Agreed.

**Mr Trevor Pettit (Hamilton Mountain):** Thank you, Minister, for coming today. I'd like to ask you what the government's doing regarding court-ordered custody agreements. I hope my terminology is correct on some of these. I've heard from numerous constituents that there are some terrible situations out there where these agreements are blatantly being ignored and the police in most cases, as I understand it, are reluctant to get involved. The frustration as a result of that leads to violence in a lot of cases. In the end, the real losers are the kids. What is the government doing to rectify these situations?

**Hon Mr Harnick:** We're obviously well aware of that. We're taking a look at what kinds of alternatives may be available to us. The former Liberal government had a bill that was supposedly designed to deal with that. It received three readings and was passed; it has never been proclaimed because of the public feeling in opposition to that bill. We're taking a look at the history of that particular debate.

We also are aware that the federal government, as a result of the passage of their federal child support guidelines, is implementing a study to deal with some of the issues surrounding custody and non-compliance with custody orders. We've indicated to the federal government that we want to be part of that study, participate in it and see if there are any solutions that can come of that.

I am looking to bring together people within the Ontario experience who can take a look at this issue, because it is a big problem and, as you say, the losers are children. It concerns us a great deal that these situations often lead to violence. I'm very concerned about these kinds of things, and unfortunately there are no simple solutions.

**Mr Pettit:** You mentioned the YOA and various recommendations you've made to your federal counterparts. There are a lot of people in my riding, and based on the feedback I get, virtually the entire riding or the majority of the populace want to see stronger penalties for youth and want to see an earlier eligibility age for adult court. What response have you had from Ottawa to your recommendations?



**Hon Mr Harnick:** The previous minister made some changes to the Young Offenders Act. They involved reversing the onus of adult versus youth court. The minister didn't go beyond that, which disappointed both me and the Solicitor General a great deal. The new minister recently, at the Canadian Bar Association meeting in Ottawa about two weeks ago, made her first public speech as minister, which indicated she wished to take a much harder line in terms of dealing with youth crime and young offenders. I hope she will take a look at some of the things we've been saying. I hope to be meeting with her very shortly and maybe get a sense of the direction she's moving in.

It's significant to know that although crime is reducing, the incidence of violent youth crime has increased in the last several years. Since 1986, as I referred to, the level of youth crime has increased dramatically. Even though in some areas there may be reductions, the numbers of people charged with youth crime are considerable. They're almost staggering. One of the problems we have in youth crime is that the system itself is not providing a level of deterrence. If we can't build into the system a level of deterrence, then I don't think we can change the direction those numbers are going in. That will be very important.

As I said to Mr Kormos, it's not just in the area of violent crime that we have to be building deterrence into the system. We have to be doing it in the area of minor crime as well, and providing more sentencing alternatives so that we can have at the level of the first offender, minor offender, a system of restorative justice as they've developed in Manitoba and as they've developed in Alberta, where youth justice committees who are members of the community deal with imposing and supervising the kinds of sentences that are necessary for young offenders who commit minor crime.

We have experimental projects now in Metropolitan Toronto in a high school where we're talking about a form of youth justice committee, a committee of peers who deal with some of the situations that exist. I think we have to seriously look at moving in that direction.

**Mr Frank Sheehan (Lincoln):** I have a couple questions, Minister. If you're getting the backlog in the criminal justice system under control and you're moving forward and making a lot of progress, why would you want to take these contract crowns off contract and start making them part of overhead?

**Hon Mr Harnick:** It's important to note a few things. We're still dealing with 600,000 charges that are coming before the provincial courts annually. It's a huge volume of work. By and large, when you take a look at those numbers, we do a pretty good job in dealing with it. I don't think there's any indication that those numbers are going to change dramatically over the next several years. I think it's important that crown attorneys who are doing very senior work receive the kind of job security one would expect in that situation.

It's also important to note that there has been a dramatic shift in the amount of work that stays within the provincial court today — that's where the vast majority of crown attorneys are working — because there have been

significant changes to the Criminal Code, making offences that otherwise would have had to be heard in a higher court able to be heard in the lower court, the provincial court, causing a tremendous increase in the work there and a decrease by about 40% of indictments being referred to the general division. So there is now becoming a significant concentration of work in the provincial courts.

The other thing that's very important is that for the system to work properly, as I've indicated in the speech, we spend now a considerable amount of money at the front end of the system, ensuring that disclosure is made quickly, ensuring that guilty pleas can be obtained by making disclosure at an earlier stage, by reducing the number of trials that take place in the system. I think we're now up to about 73% of cases being resolved early.

When cases are going through the system, we need significant manpower and womanpower to deal with screening of cases so the issues can be narrowed and we don't spend a lot of time arguing about issues that can be admitted. It's very important to be able to do that and streamline the system.

When the Askov crisis occurred, none of this front-end expenditure was taking place. These were all expenditures that were recommended in the Martin report so we could deal with the volume of cases that come through our court system appropriately. I don't believe, although I suspect there are some who might disagree with me, that we can be taking a look at any significant reduction in the number of crown attorneys in the system for a long time, if ever.

1720

**Mr Sheehan:** Is there any difference in the performance of a contract crown as opposed to one who's on staff?

**Hon Mr Harnick:** As the contract crowns became more senior, the answer to that is no. In fact, contract crowns are routinely doing murder cases, complicated sexual assault cases; sometimes they're dealing with complicated cases involving white-collar crime. I think it's appropriate to make the transition to assistant crown attorney status. I believe very strongly in that. In fact, we are working, as I indicated to Mr Kormos, with the crown attorneys association to find a way to do that but also to maintain a level of flexibility within the system to meet the concerns you have and as well to understand that there has to be a level of merit associated with these transitions.

**Mr Sheehan:** Is it your intention to bring in new crowns on a contract basis and let them kind of earn their spurs? I get concerned that you're institutionalizing an institution that I as a layman think is long overdue in looking at its practices and the way it employs people and the way it assesses their value and their performance. I think once you give these people permanent status as an employee, you're losing that, because it's a hell of a lot harder to can somebody than it is to just not renew a contract. I'm really curious about why you would not take this opportunity to continue looking at a new way of doing things.

**Hon Mr Harnick:** We're working with the crown attorneys association to develop that methodology, and we

want that level of flexibility. Any crowns coming into the system in the last number of years have entered the system, except in probably very unusual circumstances, as contract crown attorneys who earn their spurs. The level of the work they're doing is indicative of whether they have earned their spurs or not.

**Mr Sheehan:** I'm more concerned about the taxpayer. I'm not really concerned about the sensitivities of the judicial system. I'd like to know what you're doing to protect the taxpayers from further locking in of these entitlements.

**Hon Mr Harnick:** People are hired on the basis of merit. The conversion to assistant crown attorney status is based on merit. Our pay structure at the lower levels does not change drastically and one has to work one's way up through the system. A crown who starts on a contract basis or even at the bottom end of being an assistant crown has a salary of around \$50,000, which is more than within reason of what lawyers earn in the private sector.

**Mr Sheehan:** Another way of looking at it is, what processes are in place for evaluating performances of crowns and how often are they applied and how often — you've got a time problem.

**Hon Mr Harnick:** Can I let Graham Reynolds answer? They're involved in a process of evaluation that you should hear about.

**The Vice-Chair:** Mr Reynolds, welcome back. Your time is extremely limited.

**Mr Reynolds:** I'll be quick if I can. Just to answer the member, the criminal law division has a system of performance appraisal in each individual office, in which the crown attorneys examine the performance of their assistant crowns and their contract crowns routinely. They are measured against certain performance objectives that we want to achieve. I won't say it's uniformly applied in all offices, but we are working towards making sure there

will be uniform application of those standards throughout the system.

Something I can say to perhaps supplement what the minister said is that when the division got the approval to have the investment strategy funding made permanent in its budget, there was a recognition that what the criminal law division had been doing as a part of this investment strategy was now a permanent part of its business, in that if you took away the crowns who were doing this investment strategy work, the contract work, we would lose a very valuable part of the activities of my division in terms of getting cases out of the criminal justice system that should be out of the system in terms of taking them and resolving them before they get to trial, and to help this government achieve management of the judicial resources and the court resources to concentrate on serious matters. There was a recognition that not only are the contract crowns performing a valuable service, but this is a permanent part of the ministry's business and it really does assist the government in its objectives.

**The Vice-Chair:** Thank you very much, Mr Reynolds and Mr Attorney General.

Two things before we adjourn. I believe tomorrow the Attorney General will table a copy of his remarks for each member, and second, a profile of the number of crown attorneys during the last 10 years, along with the number who are on contract and who are on a permanent basis. I think that was agreed upon.

Lastly, before we adjourn I'd just like to thank the Legislative Assembly staff — Rosemarie Singh, the committee clerk; Alison Drummond, the research officer; and Beth Grahame, from Hansard — for their excellent work. Thank you all for your involvement. This meeting is adjourned.

*The committee adjourned at 1729.*



## CONTENTS

Tuesday 2 September 1997

**Ministry of the Attorney General** ..... E-1003

Hon Charles Harnick, Attorney General

Mr Graham Reynolds, Assistant Deputy Attorney General, criminal law

Ms Andromache Karakatsanis, Acting Deputy Attorney General

### STANDING COMMITTEE ON ESTIMATES

#### Chair / Président

Mr Gerard Kennedy (York South / -Sud L)

#### Vice-Chair / Vice-Président

Mr Rick Bartolucci (Sudbury L)

Mr Rick Bartolucci (Sudbury L)

Mr Marcel Beaubien (Lambton PC)

Mr Gilles Bisson (Cochrane South / -Sud ND)

Mr Michael A. Brown (Algoma-Manitoulin L)

Mr John C. Cleary (Cornwall L)

Mr Ed Doyle (Wentworth East / -Est PC)

Mr Bill Grimmett (Muskoka-Georgian Bay / Muskoka-Baie-Georgienne PC)

Mr Morley Kells (Etobicoke-Lakeshore PC)

Mr Gerard Kennedy (York South / -Sud L)

Ms Frances Lankin (Beaches-Woodbine ND)

Mr Trevor Pettit (Hamilton Mountain PC)

Mr Frank Sheehan (Lincoln PC)

Mr Bill Vankoughnet (Frontenac-Addington PC)

Mr Wayne Wettlaufer (Kitchener PC)

#### Substitutions / Membres remplaçants

Mr Peter Kormos (Welland-Thorold ND)

Mr John R. O'Toole (Durham East / -Est PC)

#### Clerk / Greffière

Ms Rosemarie Singh

#### Staff / Personnel

Ms Alison Drummond, research officer, Legislative Research Service

26  
77

Commun  
Publi

E-45



E-45

ISSN 1181-6465

## **Legislative Assembly of Ontario**

First Session, 36<sup>th</sup> Parliament

## **Assemblée législative de l'Ontario**

Première session, 36<sup>e</sup> législature

# **Official Report of Debates (Hansard)**

**Wednesday 3 September 1997**

# **Journal des débats (Hansard)**

**Mercredi 3 septembre 1997**

**Standing committee on  
estimates**

**Ministry of the Attorney General**

**Comité permanent des  
budgets des dépenses**

**Ministère du procureur général**



Chair: Gerard Kennedy  
Clerk: Rosemarie Singh

Président : Gerard Kennedy  
Greffière : Rosemarie Singh



### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Wednesday 3 September 1997

Mercredi 3 septembre 1997

*The committee met at 1547 in committee room 2.*

## MINISTRY OF THE ATTORNEY GENERAL

**The Acting Chair (Mr John C. Cleary):** I call the committee to order. This is the second day of estimates. I welcome the minister back. It is my understanding that each caucus will have 20 minutes. We'll start with the official opposition.

**Mr Peter Kormos (Welland-Thorold):** On a point of order, Mr Chair: I understood we were to receive a written transcript of the comments made by the Attorney General yesterday.

**The Acting Chair:** I understand they will be here momentarily.

**Mr Kormos:** Thank you, sir. Sorry, Mr Phillips.

**Mr Gerry Phillips (Scarborough-Agincourt):** I appreciate the chance to talk with the Attorney General. An area I wouldn't mind focusing on a bit is how the ministry works in determining the issues. I am particularly interested in how the decision was made at Ipperwash that it would be — I think the language used was that it would be an MNR issue as opposed to a native affairs issue. I wonder about the basis for making that decision. My examination of similar circumstances in Ontario — it involved first nations and their making a claim, in this case about a burial ground — is that it normally would have been seen as a first nations issue and treated that way. But the government made a fairly conscious decision not to treat it as a first nations issue. I'm just wondering about the basis on which that was decided.

**Hon Charles Harnick (Attorney General, minister responsible for native affairs):** First of all, there has not been, to the best of my knowledge, any formal land claim, or claim to date, regarding a burial ground at Ipperwash, and certainly there was an occupation of a park that was owned by the Ministry of Natural Resources.

**Mr Phillips:** If they had claimed at the time that there was a burial ground there, would that have made a difference? Would the government have treated it differently then?

**Hon Mr Harnick:** You're asking me to speculate. What I will say is that we have a formal process in the province that deals with the administration of land claims.

**Mr Phillips:** Just so I'm clear, at one time in the Legislature I said, talking about the occupation:

"A number of our first nations people went into that park and occupied it. One of the reasons they did that was because they believed there was a sacred burial ground within the boundary of that park."

The Attorney General, responsible for native affairs, said: "That isn't why they went into the park."

Was it your understanding at the time that that wasn't the reason they went into the park?

**Hon Mr Harnick:** I can't tell you what was in the mind of those who occupied the park. I think the premise of your question indicated something that I didn't know.

**Mr Phillips:** You said, "That isn't why they went into the park." I presume you knew, then, that isn't why they went into the park.

**Hon Mr Harnick:** No. I don't know what was in their minds, so I can't answer that question.

**Mr Phillips:** But I said one of the reasons they went in was because "they believed there was a sacred burial ground," and your answer to me was, "That isn't why they went into the park."

**Hon Mr Harnick:** Can I see the whole answer? I can't recall what I said on that occasion.

**Mr Phillips:** Sure.

**Hon Mr Harnick:** You should read the whole thing, to be fair, because on the next page —

**Mr Phillips:** To be fair, I read the whole the thing of what I said and then you answered, "That isn't why they went into the park."

**Hon Mr Harnick:** And then you carried on and asked the rest of your question. I suppose the confusion is that I probably interrupted you by saying that. You then proceeded to ask the balance of your question, and then what I said is really exactly what I said here:

"The member for Scarborough-Agincourt makes some rather bold assumptions. He makes an assumption as to why there was an occupation at Ipperwash Provincial Park, and he makes that assumption on the basis of the only reason being that there was a sacred burial ground."

**Mr Phillips:** I never said that.

**Hon Mr Harnick:** "I don't think he can leap to that conclusion because there is no evidence that is why or that is even the sole reason that the occupation took place."

**Mr Terence H. Young (Halton Centre):** Mr Chairman, on a point of order: I'm trying to understand what relevance this has to the estimates process. I'm looking through the Attorney General's book from the ministry on



the estimates and I'm trying to understand the relevance. Could you please explain it to me?

**Mr Phillips:** I can explain it, because I'm asking the question. I'm asking the Attorney General the basis on which they make policy decisions. The government made a decision that they were going to ignore the burial ground claim, although it was in the newspapers all that day. In the Legislature, when I said one of the reasons they went into the park was because they believed a sacred burial ground was there, the minister said that was not the reason they went into the park. I'm trying to find the basis on which the minister makes these policy decisions to ignore the first nations claim.

**Hon Mr Harnick:** By seeing my answer in its entirety, it's exactly the answer I just gave you today. That's the answer, Mr Phillips.

**Mr Phillips:** I'll just read it back into the record. I said: "One of the reasons they did that was because they believed there was a sacred burial ground within the boundary of that park."

This is complete:

*"Hon Charles Harnick (Attorney General, minister responsible for native affairs): That isn't why they went into the park."*

**Hon Mr Harnick:** If you're going to play that game, I'll continue to insist that you read what I went on to say on the second page.

**Mr Phillips:** There are two paragraphs there. I'll table it with the committee so they can all read it.

**Hon Mr Harnick:** I will also advise you, if you want to be fair — I don't know whether you want to be fair or don't want to be fair, but the complete answer continues on the next page and it's exactly the answer I gave you today.

**Mr Phillips:** Print it all.

The second thing is the basis on which the ministry's legal advice is provided. Again, just so I'll have an understanding of how the ministry works, in the Legislature a week ago you indicated — I'm trying to get an idea of how the ministry works with its lawyers. It's a discussion that is absolutely germane to Ipperwash, because the government in the end chose to seek what is called an ex parte injunction.

The minister said in the House, "An ex parte injunction was sought at the recommendation of government lawyers." At the same time, there's a transcript from the judge from the day the government went into court, which was on September 7. The judge had been told the day before that it was the intention of the government to seek a normal injunction, not an ex parte injunction. The government lawyers had informed the judge that's the type of injunction they would be seeking. The judge was quite taken aback when the government arrived and sought a different type of injunction, an ex parte injunction.

He said: "Perhaps I can stop you there for a moment and make some inquiry. I should indicate that you are now disabusing me of the information that was given to me yesterday that in fact this was not an ex parte injunction." In other words, the judge had been told by the government

lawyers that the government would be in court seeking not an ex parte injunction but a normal injunction. Presumably, that was the advice of the lawyers.

Are you now saying that wasn't the advice the lawyers were providing the government and that the government lawyers were telling the government they should seek an ex parte injunction?

**Hon Mr Harnick:** It was left to government lawyers as to how to proceed, once I had made a decision that we would seek a civil injunction. The lawyer who dealt with this was a lawyer by the name of Tim McCabe, who is probably the foremost expert in government in dealing with these kinds of situations. It was his considered opinion that an ex parte injunction be applied for.

On September 7 the provincial government lawyers applied for and were granted an interim injunction without notice, which, among other things, prohibited the occupiers of the park from trespassing in it. By its terms, the order was not to be enforced until September 11, by which time the occupiers were to have been served with the injunction materials. On September 11 argument for the continuance of the injunction until trial was to be heard. That was the sequence of events.

It's interesting. This appeared in the *Globe and Mail*, and I notice that you deliberately avoid commenting on it as you piece together a little piece here and a little piece there and try and join them when the facts really don't link with one another. But one of the things that happened was that Mr McCabe, very experienced in this particular area, provided the materials regarding the injunction on the evening before the injunction was to be heard by transmitting them to the judge who would be hearing them. At the same time, an attempt was made through Mr McCabe to have the materials delivered by the Ontario Provincial Police to the occupiers, if that was possible, as a courtesy so that they would know the injunction was going on.

I can't put myself into Mr McCabe's head, but I think the concern was the ability to effect service of the injunction application, so Mr McCabe came to the conclusion that he would initially proceed by way of ex parte injunction, which I might tell you as well — you keep using the word "normal." There is nothing abnormal about applying for an ex parte injunction. It happens all the time.

1600

**Mr Phillips:** Was it the government lawyers or the cabinet that made the decision?

**Hon Mr Harnick:** It was absolutely the government lawyers that determined how the injunction would be applied for and the kind of proceedings they would take to obtain that injunction.

**Mr Phillips:** So it was not the cabinet that made the decision to seek an ex parte injunction?

**Hon Mr Harnick:** The decision was made by Tim McCabe.

**Mr Phillips:** Why would the minutes of the meeting then say that the cabinet made the decision to seek the ex parte injunction?

**Hon Mr Harnick:** I don't know what minutes you're referring to, but I can tell you that that was the decision I made.

**Mr Phillips:** The lawyers for the family, obviously with their own client relationship, have done an analysis of whether or not the government can proceed to call a public inquiry. They cite the Westray mine experience. Just as a small aside — interesting — it was Gerry Phillips v Nova Scotia in that case. I used to get phone calls: Was I the Gerry Phillips of the Westray mine? No, no, no. It was Phillips v Nova Scotia, known as Westray. The lawyers have analysed that and their conclusion is, "Westray now stands as a recent unanimous decision by the Supreme Court that a public inquiry may proceed in a situation exactly like that in which we find ourselves." Have you or your staff now had a chance, because this is now two months old, to examine their conclusion? It seems to me that we have a precedent here that would allow us to proceed with a public inquiry. Is there any reason we couldn't proceed as the Westray mine inquiry is proceeding?

**The Acting Chair:** The government member asked for a clarification on what the questioning has to do with the estimates committee. I am told by the lady there that it comes under ministry administration, so it's legal to do that questioning.

**Mr Young:** That's your ruling?

**The Acting Chair:** Yes.

**Hon Mr Harnick:** I think the answer to the question is quite simply that no one has precluded that an inquiry will take place. It's a decision that hasn't been made at this time. Certainly the Premier has been very clear that he, I think quite properly, is not prepared to consider the matter while there are still legal proceedings ongoing. At the same time, he has not indicated that there won't be an inquiry. He's been very clear about that.

**Mr Phillips:** Actually, the question was different from that. It was, have you or your staff examined the Westray mine decision by the Supreme Court that says a public inquiry could proceed? Is it now a question not that we could proceed with a public inquiry but that the government doesn't want to proceed with it?

**Hon Mr Harnick:** I don't think an examination of that case indicates that an inquiry must take place. That is the proposition you are putting here.

**Mr Phillips:** No, no, I'm just saying —

**Hon Mr Harnick:** Certainly no one has indicated that once legal proceedings are completed, such an event would not happen.

**Mr Phillips:** I'll just try and ask the question again. It's a very simple question.

**Hon Mr Harnick:** You have my answer. I'm not prepared to engage in an analysis of a case with you that I don't think is a precedent as to telling anyone what must take place.

**Mr Phillips:** I've never used the word "must" at all. Hansard will show that. I simply say, have you or your staff examined the decision by the Supreme Court in the case of Westray, and do you agree that we could proceed,

if we wanted to, with a public inquiry based on that or do you disagree with that decision?

I realize it's up to the government, in the final analysis, to decide whether it wants a public inquiry, but I think there has been the perception that we couldn't proceed because it would jeopardize legal matters. We now have the Supreme Court decision saying that in their opinion it wouldn't. My question is not whether or not you plan to call an inquiry; it's just, have you looked at that decision and have you concluded, "Yes, we could proceed legally to hold an inquiry right now; it's just that we are not going to?"

**Hon Mr Harnick:** I am familiar with the decision. I don't know the answer to your question.

**Mr Phillips:** How could we determine the answer to that question?

**Hon Mr Harnick:** I suppose we could hypothetically think of what a court may or may not do in all the circumstances. I don't know whether the facts of the two cases are identical. I don't know whether courts would decide this case in the same way they would decide that case. I know that other inquiries have taken place and have been stopped at given times. I don't know the answer.

**The Acting Chair:** Excuse me, Mr Phillips, your time is up. Now it's the New Democratic Party's turn.

**Mr Kormos:** I understood the Attorney General yesterday to have spoken of a process whereby crown attorneys are going to be urged to seek longer sentences. Understanding that, I ask the Attorney General, which Criminal Code offences, in his opinion, have attached to them inadequate sentencing provisions?

**Hon Mr Harnick:** First of all, your question indicates that I have asked crown attorneys to seek — I'm sorry I didn't write it down. No one has indicated that crown attorneys are seeking higher sentences or penalties. What we have determined in consultations with people around the province is that the public in a great many situations does not believe that the penalties imposed fit the crimes people have been convicted of. We have within the ministry set up a group of crown attorneys to look into sentencing issues and make recommendations, if indeed they think there is a problem that exists, as to the kinds of sentencing practices that might find greater consistency in dealing with matters that come before courts for sentencing.

**Mr Kormos:** What Criminal Code amendments will you be seeking from the federal government in that regard?

**Hon Mr Harnick:** They are going to make recommendations, so I can't tell you.

**Mr Kormos:** Your comment was, "This group is also working on recommendations we can take to Ottawa for Criminal Code amendments to allow judges to impose longer sentences for given crimes." I'm just curious as to which crimes are being contemplated that require longer sentences.

**Hon Mr Harnick:** I'm waiting to hear what they tell me. I don't have any information and I won't until I get the recommendation.



1610

**Mr Kormos:** It was yesterday, I believe, that your colleague the Solicitor General bemoaned that young offender sentences are fixed and that means that misconduct by a young offender can't be deterred by virtue of extending the sentence. In view of that, are you prepared to recommend that young offender sentences have attached to them the statutory remissions that are contained in adult sentences currently?

**Hon Mr Harnick:** Based on the comments the Solicitor General made, it's something the Solicitor General may wish to look at. It may be a matter we should look at. The issue arose as a result of incidents in a youth detention centre. I think very likely that should be an area we should look at.

**Mr Kormos:** Have you contemplated statutory remissions for young offenders?

**Hon Mr Harnick:** I am awaiting recommendations from the crown attorneys who are looking at this area. I have certainly not given them any preconceived notions of what I want. I want to see what they want to provide. I'll wait and see.

**Ms Shelley Martel (Sudbury East):** I'd like to begin by asking who made the decision to lay off 290 staff at the family support plan last August 15, 1996, in a single day, and shortly after to close the regional offices before the centralized office was up and ready, thereby causing financial hardship for thousands and thousands of families right across this province.

**Hon Mr Harnick:** I don't disagree that that was done. In hindsight — we've publicly said this — it could likely have been done in a better way. There was a plan to close regional offices and I stand by that plan, because I don't think they were providing an effective service to those who were depending on receiving family support payments. What we found in regional offices I think quite justified the closing of those offices.

The manner of the closing, certainly in hindsight — I've said this publicly before — was not done in an effective way and we did have a period of time when there was some dislocation and inconvenience to people. It's no secret that I felt very badly about that, and I publicly apologized for that occurring.

But I believe the decision was the right decision. I believe the family support plan was an ineffective plan that had been racking up arrears that were unconscionable. When we closed the regional offices and found 98,000 items backlogged that had been totally ignored and not dealt with, it was very justifiable to do what we did.

**Ms Martel:** My constituents in Sudbury would disagree with you fundamentally about whether it was the right idea to close the Sudbury regional office. My question was very specifically, who made the decision? Maybe I can be more direct: Did you make the decision?

**Hon Mr Harnick:** A recommendation was made and a plan was developed. I followed the recommendation that had been made to me and I implemented the plan that had been developed and had been recommended to me. Are you asking me whether I take the responsibility? Yes, I do.

**Ms Martel:** Minister, you had front-line staff at the family support plan who, as early as January 1996, when they caught wind of the fact that you might be closing the offices and reducing staff, made any number of pleas to you to look at alternative ways to find some savings, but also to consider not doing the very thing you ended up doing. That was the position of the front-line staff. So who was it? It was not the front-line staff who would make such a recommendation to you that would lead to such chaos and crises for families.

**Hon Mr Harnick:** There was a period of difficulty, and I certainly don't deny that. But a plan had been developed and recommended to me, and I evaluated that plan and accepted it and implemented it.

**Ms Martel:** Let me ask you if this is true. This comes from the Ombudsman's report, the first one she filed, March 27, as a result of her investigation. She said her staff were told that in May 1996 a management team comprised of senior FSP managers, regional managers and regional council was advised that cabinet would be considering a proposal for a new, consolidated organization. A committee of senior FSP managers began seriously considering how a centralized organization would function. These are her words:

"My information indicates that the work of this group was handed over to two project directors recruited from outside the plan. A number of FSP corporate and operational managers advised that they had no knowledge whatsoever of how the input they provided was being factored into the planning of the organization."

Is this true?

**Hon Mr Harnick:** I received a plan that had been developed by senior staff within that section of the ministry. I reviewed the plan with them and I accepted it.

**Ms Martel:** Is it true, though, that this work was taken away from the people who had some knowledge of how this system worked and that the whole transition was handed over to two people who came from outside the plan and knew nothing about how the plan operated?

**Hon Mr Harnick:** I don't know that I'd conclude that the whole plan was developed by people outside the ministry. I know that senior ministry staff were involved in the development of the plan. I don't know the extent to which work was done by outside people, but people within that section of the ministry, the social justice services section, worked to develop the plan.

**Ms Martel:** Can you tell me why you would agree to a plan that would lay off virtually 85% of the staff overnight, which was exactly the effect, and close very soon afterwards the regional offices before the centralized office at Downsview was up and ready?

**Hon Mr Harnick:** The information that had been conveyed to me was that over a relatively short period of time that section of the ministry would continue to be able to process cheques and ensure that the cheque processing aspect of the plan could continue to run without any interruption, while the work of consolidating files in a central location could begin. That was the information I was given, and I relied on it.

**Ms Martel:** We began raising these cases as soon as the House came back. It became very clear early in September that this would entail that things were not operating as they were supposed to or as you were being told they were supposed to. Given that this was happening and given that we were raising questions in the House, when did you first discover or ask questions about whether Downsview was actually functioning?

1620

**Hon Mr Harnick:** It was part of the plan that the Downsview office would begin to function in or about November. Certainly that was the information that had been provided to me. I gather that the operation really was functioning out of that centre a couple of weeks later. I don't have the dates at the tip of my finger.

**Ms Martel:** Your acting director at the time, Linda Waxman, sent a memo to all MPPs dated October 11, 1996. She said, "Until the Downsview site is fully operational at the end of October, the Toronto regional office will serve as a backup now." Of course Mr Kormos and I were in November 7 and it was nowhere near to being operational. Were you aware that this letter was being sent out to MPPs on your behalf saying the office was going to be fully functional at the end of October?

**Hon Mr Harnick:** I think the answer I just gave you was that it was my understanding that it would be operational at the beginning of November. I can correct that. I didn't have that memo in front of me. I guess the end of October would be more accurate than the beginning of November.

**Ms Martel:** So your staff, or someone, had led you to believe that this would be operational by the beginning of November.

**Hon Mr Harnick:** That's what the memo says and that's what I said.

**Ms Martel:** In view of that, I go back to my original question. No business in its right mind would make a decision to lay off virtually 85% of its staff and consolidate new operations in an office that's not ready. If your folks were telling you it was not going to be operational until the end of October, why would you have made a decision to put people in the situation they were put into?

**Hon Mr Harnick:** I didn't make a decision to put people into that position. I made a decision based on information that had been provided to me indicating that during the transition, the cheque processing aspect of the plan would continue and there would be no dislocation to the people expecting cheques. On that basis I made that decision. As I have indicated to you — I don't know what more I can do other than stab myself in the heart. That is not the way it turned out, and I regret that very much.

**Ms Martel:** What I think is important is that a significant decision was made which led to a major change in operations. The Ombudsman certainly expressed her frustration at being unable to obtain the information she thought was necessary to determine why this had happened. The reason I am asking these questions is because I still don't feel like we had some of the information that we should have had to determine how such a decision was

made. Fully 85% of the staff was laid off in a single day. I don't even know why anyone would have thought cheque processing could have continued if 85% of the staff was laid off in a single day and had three days to make a decision whether they were going to stay or leave. Don't you think that's problematic?

**Hon Mr Harnick:** The experience that the plan had during a period when it was being run by managers during the course of the strike was that cheques were able to be processed, were processed, without the vast majority of the people working in the plan being there to process them. I think they came to that conclusion somewhat on that basis, and, as I have indicated to you, it turned out to be wrong.

I think it is wrong as well to say that the Ombudsman couldn't get answers. We were very open and forthright with the Ombudsman and wanted to provide her with everything she wanted to see, and indeed we did. I think the Ombudsman was quite impressed with the way the plan is now operating and with the direction the plan is moving in. Certainly we have made vast improvements over the way this plan has ever run. Is it perfect? No, it's not perfect. Are there still people who are having trouble? Yes there are. Is it generally because cheques are being received and not being processed? No, that's not what is happening.

What we have is a plan that has been mired in an inability to be an enforcement agency. What it really became was a cheque clearinghouse. Quite simply, we have now developed a new call centre and we have more front-line staff available to deal with people than we have ever had before. We are now able to concentrate on enforcement issues.

I can tell you that we took over 90,000 pieces of unanswered correspondence, court orders, financial adjustments and cost-of-living adjustments out of the former regional offices and are now at a stage where we have at least reduced that backlog to 38,000 items. As a result of that, you immediately begin to see why there is a reduction in phone calls to the plan, because all of a sudden people see that the cost-of-living adjustment that the court ordered to be made has been made and effected. This wasn't happening before.

We found files that hadn't been opened in five years, that were sitting in regional offices. Collections are tough, and when you can't make collections, people give up on them. They'd bury those files. That is what we found.

**Ms Martel:** Can I just go back to what the Ombudsman said? She said: "It is my opinion that the information in this document," in MB 20, "might be useful in assisting me to understand how it was intended that an acceptable level of service was to be achieved during the transition. After a number of requests were made for this document on February 24, the Attorney General certified that to produce the document might involve a disclosure of the deliberations of the executive council, and access to the document was denied. My investigators were advised that the decisions regarding the planning of the transition were made by cabinet," which I find impossible to believe,



because you are the minister responsible. "Without the MB 20 document, it has been difficult to determine where cabinet decision-making ended and the ministry and FSP decision-making began. My investigation has been limited as a result." That's what the Ombudsman said.

I don't believe, frankly, that cabinet was responsible for the planning of the transition. I believe that was your responsibility.

**Hon Mr Harnick:** You know that cabinet deals with these issues; cabinet must approve what cabinet committees do. The legal advice I had was that to release and disclose this particular document was to disclose something that was directly dealt with by cabinet and it should not be done.

**Ms Martel:** Can you disclose the transition plan to this committee then, the transition plan you operated under? Can that be disclosed to this committee?

**Hon Mr Harnick:** I think it is part and parcel of that document, so the answer is the same.

**The Acting Chair:** Time's up. It's the government's turn.

**Mr Marcel Beaubien (Lambton):** I will continue on the line Ms Martel was pursuing. I have a few other questions, but with regards to the Family Responsibility Office, I think we all have to admit that there was a problem. The proof is in the pudding, that there was \$1 billion that had not been collected, and I am sure that \$1 billion did not accumulate in the previous two years.

In your report you mention that 95% of payments are now processed within 24 to 48 hours. It is nice and it is cute to try to poke holes in the system; if I were in the opposition that is probably what I would do also. But I am concerned about the 5% we are not properly looking after. That is pretty close to 8,000 people, people who really need their money. I hear in my own constituency that for some people at the end of the month or during the middle of the month, whenever the payment is supposed to be made, the money is not there. They have sent post-dated cheques to the mortgage company or to their credit card company and the cheque is returned NSF, and consequently we compound the problem. I don't know what the charge is for an NSF cheque, but I am told it is in the neighbourhood of \$15 to \$20 in some cases. What are we doing today to try to rectify the problem with the other 5%, these 8,000 people who really need our help as a government?

1630

**Hon Mr Harnick:** Let me try and explain it this way. What we have found is that the frequent reasons for delay of payment are often that a payor's employer sent the Family Responsibility Office a cheque with incomplete or incorrect information about the payor; a direct deposit was rejected by the recipient's bank; an employer has deducted payment but has not yet sent it to the Family Responsibility Office; payment is sometimes sent to the wrong address; sometimes you receive only partial payment; a recipient is on social assistance and has assigned payments to the family benefits office or the Ministry of Community and Social Services; a recipient was on social

assistance in arrears or are still owed; or money is owed to the Family Responsibility Office for a previous NSF cheque or stop payment.

There are a number of factors that impact on how cheques are processed. If the cheque comes in properly, the cheque goes through an electronic process through our partner, the Royal Bank, and within 24 to 48 hours the cheque goes out. Oftentimes a cheque comes in and can't go through that computerized process because there is a court order involving some calculations or one of the reasons I have just outlined causes a delay, so the cheque has to be processed manually. Those cheques that are processed manually are generally done within a week, but it does take a longer period of time.

What we've tried to do with the plan is to get as many people as possible on to an electronic or direct payment program, so that the money flows through the Royal Bank, calculations don't have to be made or cheques aren't rejected; that they've filled out the information properly. The vast majority of cheques are going through that process.

We've taken that process — in fall 1996 the Royal Bank dealt with 50% of cases. We're now up to 95%. We also have programs that are being picked up by employers where there are multiple payors under the roof of a single employer; we have programs that permit that employer very easy access by sending one cheque through to the plan and the program we've developed immediately divides the money and puts the proper amount into the recipient's account. We've accomplished a great deal that way. We are able to process payments in a better way than we've ever processed them before.

The problem with the Family Responsibility Office continues to be that the volume of cases continues to go up by about 1,100 a month. We don't have control over that, but we're building the capacity to deal with it. I think we've established that ability. We hope people will take advantage of the opting-out provisions which people who don't need the plan can now avail themselves of.

We think that with the software we now have available for employers who are now using that — we have 133 companies now testing a new software package and I think they will adopt its use because it's a much simpler method of dealing with it. Plus, our use of the Royal Bank means we have less and less manual work to do. As I said, we now have the backlog down from 90,000 issues to 38,000 issues, and as a result of that the phones have stopped ringing.

*Interjection.*

**Hon Mr Harnick:** The phones are ringing less. They have not stopped ringing, and I doubt they will ever stop ringing, but they're ringing in smaller numbers.

The fundamental problem with this plan is that it has got to be more than just processing cheques. It has got to be an ability to start eating into arrears. It would be unconscionable to continue to run the plan in the old way it was run when you were racking up debt of \$100 million every year. I think, and I say this with some guarded optimism, that we now will be able to begin a process of truly

making progress in eating into these arrears and getting people who have not paid to start paying.

**Mr Beaubien:** You were talking about opting out of the system, which I think is a good option. How many cases have been downloaded or taken off the books since that option has been available?

**Hon Mr Harnick:** Very few, is my understanding. I think the opting-out provisions will be much more effective in terms of those who are now just getting into the plan. We see that as an ability to slow down this 1,100-case increase every month; we are looking more at that. Once people are in the plan and the moneys are flowing through the plan, it is difficult for both parties to agree to opt out of the plan because they are in it and it is working.

But where we think we can succeed is to have fewer cases coming into the plan because of this new ability and the advice people will be receiving that they don't have to be in the plan, that if they are satisfied with the arrangements they already have in operation they can agree to opt out.

**Mr Beaubien:** You seem to think that people are not opting out because the system is working for them, but do you think you've done the proper advertising or selling job on people? They might be able to get their money quicker as opposed to having the government handle the money and pass it on to somebody else.

**Hon Mr Harnick:** I agree with you, and that is a major communications challenge. We are looking at ways to get that message out that go beyond merely a news release and fact sheet sent to clients. We are working with some of the major groups such as MAFIA and FAD, as well as lawyers' groups, to more effectively get that message out.

**Mr Beaubien:** Another question I have is on page 33, dealing with the agencies and boards and the Assessment Review Board. You mentioned, "In order to hear and dispose of triple the volume of complaints forecast as a consequence of province-wide reassessment in 1998, the board will require additional members in 1997-98." Do you have any idea of how many new members you are going to need, and for how long?

**Hon Mr Harnick:** Work is taking place on that. I think there will need to be an increase in the number of front-line staff; that is being determined now. I think it is important to tell you that the Ministry of the Attorney General is responsible for the Assessment Review Board, but the information we rely on as to what the requirements will be come from Ministry of Finance; they're effecting changes to the Assessment Act and we're reacting to those changes. But there is no question that there will be an increase in resources and in the number of board members and employees.

**Mr Beaubien:** How long a period would that be?

**Hon Mr Harnick:** I know there are projections as to the caseload going up and then the period of time it'll take for the caseload to go down. I suspect it is over a period of a few years, maybe as many as four years, for that to take place. In the last two years we have been very successful in bringing down the number of outstanding assessment

appeals by a considerable number, but as a result of changes to legislation, that number will go up.

**1640**

**Mr Beaubien:** My last question will deal with the court system. I am very sensitive, just in case I ever have to appear in front of a judge. In your overview statement it says, "The goal of the Ministry of the Attorney General is to become a modern, more accessible and more effective justice system that will deliver justice services that are fair, equitable and affordable." I am concerned about the fairness part of this equation.

Could you tell me, my constituents also, when someone applies to become a benchers or to be appointed as a judge, the process you go through in order to make this appointment fair and equitable? I am not too concerned about "affordable" at this point in time, because I think these are all paid at relatively the same rate.

**Hon Mr Harnick:** The appointment of judges provincially is done by a body known as the Judicial Review Appointments Committee. They are a committee that by statute includes some appointees of the Attorney General, representatives of the public, representatives of the legal profession through the law society and the benchers, and representatives of the judges. They have a process that recommends lists of qualified candidates to me for individual postings of vacancies and I choose judges from their lists. The scope I have is limited based on the — for federal judges, it's different. I know in Ontario the Minister of Justice has a committee. Applications are received and referred to the committee. The committee vets those applications and determines whether a person is qualified. If the committee says they are, the individual goes on the list. A running list is kept and the minister then chooses from that list.

In terms of benchers, benchers are elected through procedures set up under the Law Society Act. They are elected by members of the legal profession. I think 40 benchers in all are elected, 20 from the Metropolitan Toronto area, 20 from outside the Metropolitan Toronto area. I believe there are four lay benchers who are appointed by the Attorney General to sit as benchers. Now, whether that's fair is in the eye of the beholder.

**Mr Beaubien:** It depends what sentence you get, right?

**Hon Mr Harnick:** As I said, it is in the eye of the beholder.

**Mr Bill Vankoughnet (Frontenac-Addington):** My question to the minister concerns court security costs. This has been a very unfair situation to many municipalities, particularly some smaller municipalities in which the courts are located, especially if there are federal or provincial detention centres, which generate more work because of the perhaps serious nature of the individuals they deal with. To have these municipalities have the burden of paying through property taxes some of the costs of court security — I would hope there is consideration being given to see if something couldn't be done to have a broader base. It might be on the basis of where the criminal comes from, which might be a provincial responsibility. Where the federal institution is located, they usually



pay large grants in lieu to those municipalities, so they get some benefits, not only directly but indirectly. But for some of the smaller municipalities, it's a very unfair burden to those local taxpayers. I'd like your comments on that.

**Hon Mr Harnick:** My understanding is that at one time court security was the responsibility of the Ministry of the Attorney General or the Solicitor General. That was the case for many years. Under the Liberal government a decision was made by Mr Scott, the then Attorney General, to transfer the cost of providing court security to municipalities. That is the way court security has been provided over the course of the last 10 years or more.

I think it's important to note that as the province renovates courthouses — as we're doing all over the province; I indicated yesterday that we have about \$212 million of capital construction now ongoing or about to be ongoing in different locations. We have taken the position since Mr Scott made that decision that the costs of security we would become responsible for are built into the construction and renovation of new courthouses, in providing better Sally ports and holding facilities within court facilities and prisoner transfer areas in courthouses that keep those in custody separated from the public; and that the costs of the day-to-day operations are borne by municipalities.

I agree with you that there are situations where a very unfair burden is imposed on municipalities. I referred to a case that involved a transfer from Ottawa, I believe, or one of the more major centres to the town of Cobourg. The problem was that because a judge ordered a change of venue, a much smaller centre, the place the venue was changed to, became responsible for providing significant costs of security during the course of the trial. I agree that in a situation like that, it is very unfair and we should be taking a look at some of those situations.

I don't know that we have the resources to now recreate the kind of security arrangements that existed when Mr Scott changed the nature of court security and made it a municipal responsibility, but I believe there are certain incidents that occur that we should take a look at being more responsive about.

1650

**The Acting Chair:** It's the official opposition's turn now.

**Mr Michael A. Brown (Algoma-Manitoulin):** Minister, I had an opportunity to look through your statement; I wasn't taking notes quite quickly enough when you spoke yesterday. One of the things I'm interested in is that you talked about a diversion rate of 73% or something like that in the criminal justice system being dealt with before they actually get in front of a court. I wonder if you could elaborate a little. Is that an increased percentage, and by how much? Would a layman talk about that in terms of plea bargains and issues like that?

**Hon Mr Harnick:** When the Askov crisis occurred after your government ignored those kinds of statistics, which they did, and caused the NDP great difficulty when they became the government and a month later had 50,000

cases dismissed from the courts, that wasn't the fault of that government because they inherited a situation they obviously didn't have time to deal with. At that time the early resolution rate of cases was around 50%, which meant the trial list became horribly backlogged, and as a result of that mismanagement and ignoring of the system there were 50,000 cases thrown out. I don't think that inspired a great deal of confidence in the justice system among the public.

What your government was to be commended for was the fact that they did begin a restructuring of the provincial court, both criminal division and family division, which was long overdue. I think a great deal of the success of that had to do with the appointment of Judge Linden as the Chief Judge and the organization that he has since supplied to the provincial court. But that wasn't enough to stem the tide of so many cases pending on the trial lists.

I think we all would know that G. Arthur Martin, a distinguished criminal lawyer for many years and then a judge of the Court of Appeal, authored a report known as the Martin report, which became the basis for the investment strategy that the former government, quite appropriately, adopted and began to implement. Since the time that the former government began to do that, the early resolution rate of cases increased from about 50% to about 70%. We now have increased that early resolution rate by about another 2% or 3%.

The importance of doing that is that by implementing what Justice Martin advocated, we now screen cases before they proceed to make sure there's a reasonable prospect of conviction and that a prosecution is in the public interest. That was never done before, so cases remained on a list until trial and were never looked at until, in many cases, the morning of the trial. Cases became backlogged as a result of that. If a case were able to be settled in the sense that disclosure could be made — and that was another aspect of the Martin report, to ensure that disclosure was made to defence counsel — that promoted a number of much earlier guilty pleas, because disclosure was made within weeks of the offence, turned over to the defence and the case could be evaluated.

In more complicated cases, pre-trials have become in most criminal courts in the province a regular part of the procedure so that issues can be narrowed. There is no point in having a trial about a number of issues when most of them can be agreed upon; the ones that become the focus of the trial are the ones that can't be agreed upon. That has been done.

Certainly plea negotiations take place. A crown, by having the opportunity to evaluate a case at an early time, may realize that a conviction for a particular offence could not be registered — they couldn't prove it — but maybe a lesser but included offence can obtain a guilty plea. Sometimes a defence counsel will also acknowledge that. Where it's appropriate — crowns certainly have the discretion and should have the discretion — they evaluate cases and determine whether a plea should be accepted for a given offence or not. That is part and parcel of the discretion I think crown attorneys should have.

As a result of doing all those things, the system no longer is in peril to undergo another Askov crisis. That was something your government obviously paid little heed to, quite frankly, because the Supreme Court had warned your government on two or three occasions before the Askov case to begin to deal with this problem. After several warnings, the case of Askov came along. The result was that 50,000 cases were not dealt with in any way, shape or form. There were no plea negotiations. There was no screening of those cases. They were just tossed out.

I applaud the work of the Martin committee. I think we have to build on that, and we are. There will be some announcements, I hope shortly, to talk about that building process. We've had the backlog blitz that has taken place in our six most heavily burdened jurisdictions, and it has been very successful. We are not in peril of an Askov crisis at all in the province of Ontario today.

As I said, the last government is to be congratulated, because they inherited a horrible situation and dealt with it very appropriately. We believe we have built on the work of the last government and my two immediate predecessors as Attorneys General. Quite simply, it's been very successful. It has been a complete change in the way our provincial courts have run.

**Mr Michael Brown:** In other words, there is more plea bargaining going on than there was before. That was actually the question I asked.

**Hon Mr Harnick:** Did you want me to answer that?

**Mr Michael Brown:** I do want to get your answer.

**Hon Mr Harnick:** I suppose the answer is that plea negotiations by skilled crown attorneys are far preferable to your methodology, which was to see an Askov crisis. I don't think an Askov crisis is a good idea. You do, but I don't.

**Mr Michael Brown:** We're not going to rehash history that's seven years old.

**Hon Mr Harnick:** I know it hurts.

**Mr Michael Brown:** I'm crushed.

**Hon Mr Harnick:** You've been crushed twice after that.

**Mr Kormos:** Chair, please, I don't want to be put in the position where I have to be conciliatory between these two gentlemen.

**The Acting Chair (Mr Ed Doyle):** I'm sure you'll be okay on that.

**Mr Michael Brown:** Given that we know that the rate of violent crime is down, could you tell me if the rate of charges is also down so that the number of cases coming before the court is now less than it was in total?

**Hon Mr Harnick:** The rate of charges has in fact increased over the last several years. The rate of violent crime is down, but the number of charges has gone up.

**Mr Michael Brown:** Could you explain that?

**Hon Mr Harnick:** I think you'd have to ask the police. Police lay charges and the Ministry of the Attorney General prosecutes them.

1700

**Mr Michael Brown:** Obviously, but would the ministry prosecute — I'm really having trouble with this. How

could there be less crime and more charges? You do prosecute them. If they were without merit, you wouldn't be prosecuting.

**Hon Mr Harnick:** I can tell you that in 1994-95, 440,174 charges were received, 419,000 charges were disposed of and 162,000 charges were pending. In 1995-96, 424,000 charges were received, 403,000 charges were disposed of and 173,000 charges were pending. In 1996-97, which is a projection, it was projected that there would be 448,000 charges received. Those are projections. We don't have those final numbers.

We also have provincial offences charges which have been reduced considerably. I don't know why, but they have been reduced considerably. The number of family cases received has reduced, and the number of youth court charges has gone up from 105,000 to a projected 107,000. Those are the numbers. Do you want to know the civil actions?

**Mr Michael Brown:** No. I'm still puzzled. I don't think this is very partisan. I'm just musing out loud how, if violent crimes have decreased, charges can increase? I understand that there is often a number of charges related to a specific criminal incident; there is often more than one statute that has been breached. Are there more criminals or accused people now or are there fewer?

**Hon Mr Harnick:** I can only tell you in terms of the charges, and those are the numbers. I suspect there has been an increase in property crimes; that may account for the increase in numbers. But I can't tell you the answer.

**Mr Michael Brown:** The ministry doesn't analyse these sorts of things together with your sister ministry, the Solicitor General, to understand on a public policy basis how these things could be happening?

**Hon Mr Harnick:** Mr Reynolds may be able to help us. I don't know.

**Mr Graham Reynolds:** Thank you, Minister. I'm not a trained criminologist. I think a variety of explanations have been offered about the trends and statistics that have been shown. The primary responsibility in this area is with the Solicitor General ministry, who of course analyse the activities and actions of the police. But there have been some trends that have been apparent. The minister mentioned yesterday that the rate of violent crime for young offenders has shown some increase. On the other hand, there has been a decrease in some of the overall murder rates in the country. There has been some fluctuation in the area of property crimes, as I recollect.

I don't think there is one single, clear explanation that can apply to all the circumstances. There are regional differences, for example. The lower mainland of British Columbia, on a national basis, has a much greater incidence of drug crime, for example, than southern Ontario does. It should be remembered that there are federal offences that are part of this component as well. There are drug offences also included in here, and drug offences have been showing some increase in certain parts of the country over some years. I don't know if there is an easy answer to the question.



Unfortunately, the monitoring system we have at the moment doesn't allow us to record on an absolute basis the number of people who are going through the courts or the court's charges, because that was the way the system was designed under previous administrations and that's what we're able to measure. We can't come up with an absolutely accurate number of persons who are flowing through the criminal court system on an annual basis. I think we wish we could.

At the federal-provincial level, there is a committee that works on the collection of criminal statistics. My colleague the ADM for courts administration has input through her division into that area. I think there are efforts across the country to have better methods of collecting and disseminating information about the incidence of crime and the incidence of people coming through the justice system. I think Ontario is relatively far ahead of other provinces in this area. It's my perception when I go to federal-provincial gatherings that many provinces have no measures in place at all of gathering the number of charges and the number of statistics of persons going through the court system. We have a relatively better system, but it's not perfect.

**Mr Michael Brown:** It seems to me that that would be a very useful thing to know, and to know something of the background of the people being accused, so we can develop a justice system of the future that is more relevant and probably accomplishes society's goals a little bit better. I say that in a non-partisan way.

**Hon Mr Harnick:** There is a move now taking place that we refer to as the integrated justice project. I hope the integrated justice project will help us in that regard to a degree. That project involves developing an information technology system that will link the ministries of justice in the government of Ontario — it will link the Solicitor General and police and the Attorney General and corrections and parole — so that some of those data may be available.

What you're referring to is something that has been very much lacking because of the fact that the Ministry of the Attorney General and, to a slightly lesser degree, the Ministry of the Solicitor General have been purely paper-driven ministries and really haven't moved into the age of information technology where this material can be collected and stored and made available. I hope that trend is going to change.

**Mr Reynolds:** If I could just supplement on one point, for the information of the member, who may not be aware, there is an organization called the Canadian Centre for Justice Statistics in which we work cooperatively with the federal authority in developing means and measures of assessing and providing to the public accurate information about the incidence of crime and the incidence of people going through the justice system. We're actively working with them and they will be coming to make a presentation to our ministry sometime in the very near future. This is an area where I think we're working quite positively on the federal-provincial scheme.

**Mr Michael Brown:** It seems to me that the goal of the criminal justice system is to try to put itself out of business.

**Mr Reynolds:** Absolutely.

**Mr Michael Brown:** Rather than to talk about how fast we can process charges or something, it's really the public safety. The fewer charges you have to lay, the better off society's likely to be.

I was interested in your comments on the family support plan. SCOE, which you know is quite different from the family support plan, did not include everyone; there was opting out. That's just to help you out a little bit.

Of the \$1 billion in arrears, by the ministry's own account, what is collectible? What does the ministry believe is collectible?

**1710**

**Hon Mr Harnick:** To suggest a figure is almost guessing. I would hope that a substantial portion of that would be available. Certainly we haven't written any of it off. We have new enforcement measures that I hope will be implemented shortly as we continue to implement our recent bills, various measures to give the plan some teeth. A lot of the long-standing cases I hope will be referred to private collection agencies, because those files have been sitting around for about five years doing nothing, where a writ has been filed in the hope, on a wing and a prayer, that an asset might be sold and some money might be available through the execution process. But that's about all the plan has been able to do.

I want to say that we haven't written any moneys off. I know that was a concern of Ms Martel. I think we adjusted our legislation, if recollection serves me, to ensure that wouldn't happen. I know I had discussions with Ms Boyd about that. Because we just don't know —

**Mr Michael Brown:** Would much of that money be actually owed to the crown?

**Hon Mr Harnick:** I think about — I'm guessing again — several hundred million dollars of that would be owing to the crown.

**Mr Michael Brown:** Do you have a target for this year?

**Hon Mr Harnick:** When all the implementation measures are up and running, we expect to see a significant reduction in that annual \$100 million of arrears that the former plan was able to ensure, based on the way it operated. I certainly hope we can eat into that, because every dollar we eat into that is an extra dollar for women and children in the province.

The goal is that we hope, with the implementation of driver's licence suspension coming this fall, with the referral of files to the private sector collection agencies, with our ability to deal with situations that involve sheltering, we would be able to start to make some inroads and collect moneys that are not now being collected, and every extra dollar is an extra dollar for children in the province.

**Mr Kormos:** Who's your private sector partner in the integrated justice project?

**Hon Mr Harnick:** Those discussions are continuing and there has been no contract that has been finalized, so it would be imprudent to discuss that.

**Mr Kormos:** On page 29 of your written remarks you state, "We are negotiating with a partner who will provide the new technology." I trust, then, that more accurately it would be "prospective partner."

**Hon Mr Harnick:** That's right.

**Mr Kormos:** This negotiation was the result of a proposal made by that prospective partner?

**Hon Mr Harnick:** The process began about a year ago. My understanding of it — I want you to know that I remain far removed from the negotiations, for obvious reasons. Proposals were sought publicly, proposals were received, and a committee was set up involving people within and outside of government, I believe, to evaluate proposals.

**Mr Kormos:** So an RFP was issued?

**Hon Mr Harnick:** I guess it was a form of RFP.

**Mr Kormos:** When was that, please?

**Hon Mr Harnick:** It would have been a little over a year ago.

**Mr Kormos:** I wonder if a copy of that RFP might be filed with the committee.

**Hon Mr Harnick:** I don't know that that's a relevant issue to this committee at this time, because it's not part of the estimates process. Maybe it will be a year from now.

**Mr Kormos:** Chair, the Attorney General opened the door by so proudly announcing the partnership with the private sector and announcing the integrated justice project, in fact suggesting that a partner had been developed. I appreciate now that he, at my encouragement, has corrected that or modified it. He stated, "We are negotiating with a partner who will provide the new technology." I say to you that an RFP, if it had been distributed approximately a year ago, is no longer a private sort of thing. It seems to me that —

**Hon Mr Harnick:** Why don't I do this, Mr Kormos? I'll take that under advisement and I'll seek some advice.

**The Acting Chair:** Is that okay, Mr Kormos?

**Mr Kormos:** Thank you, sir.

When you speak of new efficiencies which will constitute the compensation or the reimbursement for the partner, you're talking about cost reductions, I'm sure.

**Hon Mr Harnick:** I'm not following you.

**Mr Kormos:** Take a look at page 29 of your written statement, where you say the private sector partner "will be paid out of the efficiencies the new technology brings to the justice system." Surely you're talking about cost reductions.

**Hon Mr Harnick:** Let me give you an example. If you're able to file documents in civil cases by electronic technology, you don't need, ultimately, the overhead you now have.

**Mr Kormos:** You mean the labour cost.

**Hon Mr Harnick:** I suppose that's a component of it.

**Mr Kormos:** So your plan is to dismiss even more registry office staff, registrar's office staff, court staff.

**Hon Mr Harnick:** I think that may be the case, with modern technology coming to the courts, over a period of several years.

**Mr Kormos:** But that's very much a goal of this — you speak of this as a five-year project.

**Hon Mr Harnick:** No, the goal is to take the ministry from being a paper-driven system and doing our work the way the rest of the world is now doing its work, having some of the modern capabilities business uses to run their operations as part of our court system. It's a move to the 21st century, I think.

**Mr Kormos:** Yes, more joblessness.

**Hon Mr Harnick:** Different kinds of jobs, Mr Kormos.

**Mr Kormos:** The compensation technique being proposed is, as you said it, to "be paid out of the efficiencies the new technology brings to the justice system. That motivates your private sector partner to reduce costs as much as possible, because that way they earn more, correct?"

**Hon Mr Harnick:** I certainly think the efficiencies we are looking for and that motivate this project are efficiencies that will make the delivery of justice services better for people in the province of Ontario.

**Mr Kormos:** But you are ultimately engaging in a relationship with a private sector partner who is being highly motivated to reduce the cost of the Ministry of the Attorney General.

**Hon Mr Harnick:** No. They are motivated as a result of our desire to enter into a commercial relationship that will provide the ministry with the 21st-century tools we need to provide better service to the public.

**Mr Kormos:** But the efficiencies you're speaking of, if they're going to be quantified in dollars and cents, have to relate to reduction of costs.

**Hon Mr Harnick:** Of course. I think that's a component of it.

**Mr Kormos:** And the costs you're speaking about are, in the largest part, labour costs?

**Hon Mr Harnick:** No. As a matter of fact, the projection of labour costs — and again I'm guessing — is, out of a ministry of 7,000 employees, maybe 300 people.

But I think there are significant costs to be saved, for instance, in the storage of documents. Let me give you an example. By electronic filing, we no longer have to store documents; we are storing material within a software package. As a result of that, we no longer have to store volumes of paper. We spend about \$8.5 million or \$9 million a year storing paper files, which consist of pleadings in civil lawsuits that no one ever reads, in a warehouse in Cooksville. That is not money well spent. That's money that would be much better spent on providing better front-line justice services. By introducing modern technology, we will be able to do that.

1720

Let me give you another example. When police arrest someone, they create a file. When that issue goes into the Crown Attorney's office, another file may be created. When it goes to the victim/witness program, yet another



file may be created. There may be files if social work services become involved in a particular case. What would now be available would be an opportunity for everyone to access information in one central place, rather than re-create a file seven or eight or nine times.

**Mr Kormos:** I am sure of that, and I am sure the hacker network across North America will find access to your secure computer files fascinating and most profitable.

**Hon Mr Harnick:** That's why, Mr Kormos, we are dealing with people who can provide services that we believe will protect against those kinds of things. I understand you're cynical about moving into the 21st century and I understand the penchant that you and your government had for spending taxpayer's money without providing taxpayers with good services.

**Mr Kormos:** No, I am just cynical based on your demonstrated incompetence with the family support plan and your attempts to bring that into the 21st century and the crisis it created.

**Hon Mr Harnick:** Let's talk about that, Mr Kormos, because it's an important topic. We did have a period of difficulty. You can dwell on that period of difficulty all you want, but I think there is another way to approach it, and that's to look ahead and see what the plan is now doing and how the plan is now operating and to admit the failure of the plan as it existed. I know that big deficits and \$100 million a year in arrears in the Family Responsibility Office are something you could quite accept. Your government had a penchant for racking up deficits in the double digits in terms of billions of dollars every year without having any conscience about it, without concern for the taxpayers who pay the freight, nor with any concern for the kind of services your government provided.

**Mr Kormos:** This sort of polemic is a refuge for a desperate Attorney General, I tell you.

When do you expect to finalize your negotiations with this anticipated private sector partner?

**Hon Mr Harnick:** When the negotiations are complete.

**Mr Kormos:** When do you expect to finalize them?

**Hon Mr Harnick:** I don't have a deadline date. I hope it will be shortly.

**Mr Kormos:** Who's responsible for those negotiations? That is to say, what ministries are involved in the process of negotiation?

**Hon Mr Harnick:** The negotiations involve the Ministry of the Solicitor General, corrections and the Ministry of the Attorney General.

**Mr Kormos:** Are you directly involved or is your bureaucratic staff involved in this negotiation?

**Hon Mr Harnick:** There's an element of bureaucratic staff involved. There are outside experts who understand technology issues.

**Mr Kormos:** Who are the consultants you have retained?

**Hon Mr Harnick:** I think the firm that is acting for the government are Fasken Campbell and Coopers Lybrand.

**Mr Kormos:** How long have they been on retainer for the purpose of these negotiations?

**Hon Mr Harnick:** I can't tell you that.

**Mr Kormos:** You don't know or you can't tell me?

**Hon Mr Harnick:** Don't know.

**Mr Kormos:** Would the Attorney General please undertake to provide that information to the committee?

**Hon Mr Harnick:** I'll seek advice as to whether that should be provided.

**Ms Martel:** Minister, speaking of no conscience, I would argue that you demonstrated none when you made the completely disastrous decision to close down the plan and put thousands and thousands of families into severe financial hardship. And you know what, Minister? A year later there has been no significant improvement at the family support plan to speak of. Our files for the month of August 1997, the number of cases we had, was the same in that single month as we had the whole year from August 1995 to August 1996 — one single month, August, that just finished.

You can talk about us and our debt and everything else, but your actions directly led to severe financial hardship for thousands and thousands of women, and that problem is not over yet. I think part of the reason is that you've got 40% less staff now than you did before. You can talk about having 125 front-line staff. Those people have additional responsibilities and they can't cope, because overall there is 40% less staff. I want to ask you, how much of the decision that you made to cut the staff by 40% and close the regional offices was based on your need to find a saving of 35% from the plan? How much of this was financially driven?

**Hon Mr Harnick:** The decision that was made was based on the fact that the plan had been a disastrous plan. It was based on the fact — and I appreciate that you don't think I have a conscience. I can say the same thing about my belief about your conscience. To have run a plan that racks up \$100 million in debt out of the pockets of women and children every year, to have ignored that and done nothing about it, to have had groups like Mothers Against Fathers in Arrears and Families Against Deadbeats come to you and urge you to start developing a plan that had the ability to collect money and to have had your Attorney General of the day send them away to the point where they had to go out and picket, I think is unconscionable. If you want to talk about my conscience, I'll talk about your conscience.

**Ms Martel:** Minister, you were the one that made the decision overnight to lay off 85% of the staff; 290 people got a layoff notice on the same day, August 15. Three days after that the regional offices shut down. You had no central office whatsoever ready to run the operation. No businessperson would do that. No government cognizant of its responsibility to people, to make sure families would get money, should do that either.

**Hon Mr Harnick:** You said that before. You've said that to me. You said it 20 minutes ago.

**Ms Martel:** So why did you do it, Minister?

**Hon Mr Harnick:** I answered that questioned. You can keep going back to it or you can say, how do you make the plan better now? That is what we are trying to

do. How do you start to collect some of the \$1 billion in arrears that obviously your conscience doesn't bother you about. That's money out of the hands of women and children.

I acknowledge that the transition was terrible. I feel very badly about that. It could have been done better and it should have been done better. But we now are running a plan that has the capability of starting to collect money that we never were able to collect before.

I appreciate that you want to have press conferences and you want to be able to keep this boiling on the political burner. That's in your interest. I understand that. But my interest is an ability to try and start collecting money, \$1 billion in arrears, because that bothers me. It bothers me that women and children are doing without \$1 billion and that we had a plan that for five years sat there and had one single way to collect money: We trot on down to the registry office and we file an execution and we sit around and wait. Maybe something happens and maybe it doesn't. Every now and then a cheque for \$35,000 comes in because a house gets sold or an asset gets sold.

**Ms Martel:** Tell me, Minister, do you have the technology in place to collect one cent of those arrears? In December you were in a big panic to get this legislation passed.

**Hon Mr Harnick:** You were opposed —

**Ms Martel:** In effect that was because of the bad publicity you got when Peter Kormos and I went into the office. You were in a big hurry so we passed it rapidly. You didn't even proclaim the legislation till May. Your driver's licence program was supposed to be up and running in September, and I heard you say only recently that you hope to get it started sometime this fall. Have you collected a penny in those arrears?

**Hon Mr Harnick:** I suspect we will start to collect pennies very quickly.

**Ms Martel:** Here we are, nine months later —

**Hon Mr Harnick:** If you were genuinely concerned about that, instead of sending Families Against Deadbeats and Mothers Against Fathers in Arrears away four or five years ago, this could have been up and running and we would have had a plan that might have been working. But we didn't have that. You didn't agree to that. In fact, because you are so politically motivated, you were opposed. You brought an opposition day forward that was opposed to the bill. You said, "Withdraw the bill." I couldn't believe it.

**Ms Martel:** Because, Minister, what you don't want to recognize is —

**Hon Mr Harnick:** Because you racked up \$1 billion in debt and you don't want to admit it.

1730

**Ms Martel:** You continue to allow the director of the plan to have the discretion to write off arrears. You just tried to tell Mr Brown that somehow you changed the provisions we were most worried about. The fact is that what's going to happen is that your director is going to decide that millions and millions and millions of dollars of arrears are uncollectible. You didn't change that portion

of the legislation. Are we opposed to that? You're darn right. What I am afraid of —

**Hon Mr Harnick:** So why didn't you do something about it?

**The Acting Chair (Mr Cleary):** One at a time, please.

**Ms Martel:** — is that before you hand this off to the private collection agencies, you're going to get rid of the worst cases and hand over the easiest cases to the collection agencies to collect.

**Hon Mr Harnick:** You didn't even do that.

**Ms Martel:** That's why I wanted that guarantee.

**Hon Mr Harnick:** But you didn't even do that. You didn't do anything to collect. Let me answer your question. You didn't even try and collect the easy cases. You sent people away who had ideas that they wanted to implement to try and collect money. You sent them away. You didn't even want to collect the easy cases, let alone the hard cases that we're going to send out to private sector people who are professional collectors. You sent people away who wanted to do that.

**Ms Martel:** Minister, overnight you ignored the advice of your front-line staff, who said to you: "For goodness' sake, we don't have enough staff right now to deal with what we have to deal with. Don't close the regional offices." You ignored the advice of your front-line staff, and overnight you threw this plan into chaos, and overnight thousands and thousands of people didn't get their cheques.

**Hon Mr Harnick:** You said that already.

**Ms Martel:** We are here a year later and I am saying to you that you still don't have the technology in place to deal with collecting the arrears and you do not have enough staff to deal with the plan; you've got 40% less than before. My constituents — two of every three calls we receive and three of every five people who come to the door continue to have the plan, and most of those people used to receive regular payments. I am saying to you we are here a year later and you're trying to tell this committee things are improving and I should get on the bandwagon. I'm telling you that the experience in our office is totally different, the reality is totally different from your rhetoric.

**Hon Mr Harnick:** I don't agree with what you are saying.

**Ms Martel:** Come to my office, Minister. Come and spend a day in my office.

**Hon Mr Harnick:** The experience we are having is that when employers are remitting money, that money is sent to recipients within 24 to 48 hours. As long as the money is being received by us, we are not holding any money.

Quite simply, we've made some tremendous strides in bringing this plan into the 21st century, with 95% now being electronically dealt with. Software that speeds up remittance — 133 companies now testing it. Our ability to answer telephone calls: At the rate we're going, we hope there will be no delay in answering telephone calls, that we will be able to do 2,500 in a day. As of about a week



ago, I understand the wait period for a call was down to 10 minutes. Under your plan, only 6% of callers ever got through. How can you run a plan that can't answer the phone? How do you run a plan that had 90,000 pieces of outstanding work that weren't done? You were sending lawyers to court to get orders and cost-of-living adjustments, and then they'd come back, put the file on the shelf and nobody would make the calculations, so individuals didn't end up getting their cost-of-living allowance because 90,000 pieces were sitting in backlogs in regional offices.

**Ms Martel:** If things are so much better, how come I had more cases in the single month of August 1997 than I did the entire year between August 1995 and 1996? How can things be better if that is the case?

**The Acting Chair:** Thank you. It's the government's turn.

**Mr Bill Grimmer (Muskoka-Georgian Bay):** I'd like to ask the minister if he'd mind turning to pages 92 through 95 in the estimates book. I'd like to refer him to some of the questions that have been brought to me by my constituents since I've been elected.

One of the areas your ministry is responsible for is the civil side of the courts in Ontario. Before I entered this very popular profession, I was equally popular in another profession, as a lawyer. One of the great frustrations I had as a lawyer and that my clients had as well was the slow pace of civil activity, the way a civil action takes so long. I've even had complaints from constituents who've come to me to complain about the slow activity in Small Claims Courts.

I notice from the statistics you're projecting on page 92 that you're looking at fewer proceedings in civil actions in the future. I wonder if the initiatives you refer to on page 95 have been more directed at reducing the number of cases to be dealt with in civil courts, or has there also been an effort to speed up the process of individual civil cases? It has been my experience for the time I've been a lawyer that there doesn't seem to be a lot of initiative within the system to deliver relatively quick justice. I think that is the most common complaint from the most common constituent, not the person who is a regular, litigious civilian, but the person who really doesn't even know which door to go into when they get to the courthouse. They want speedy justice. They don't understand how the process takes so long. I wonder what efforts your ministry has undertaken in that regard.

**Hon Mr Harnick:** That's a very good and important question. Under the last government, the Civil Justice Review was set up. The former Attorney General and the Chief Justice of the trial court were the co-chairs of the Civil Justice Review, which produced an extensive report on how to improve the civil justice system. I became Attorney General at around the time the report was completed and I received the report.

The report indicated very strongly that the civil litigation process and the speed with which court cases proceed had to be taken out of the hands of lawyers and had to be put into the hands of judges, and rules had to be developed

that would provide a track upon which cases would run, with time limits that were realistic but kept cases moving through the system. That is really what is now known as case management. We have implemented case management 100% in Ottawa. There are no backlogs and cases are now moving through the system with great speed.

**Mr Grimmer:** Can you give us some indication of how long a reasonably sized civil case would take?

**Hon Mr Harnick:** Most cases that are uncomplicated and on a standard track are going through the system at about a year and a half. That includes examinations for discovery and all the other proceedings.

**Mr Grimmer:** That's from the time that you issue the —

**Hon Mr Harnick:** From the time a claim is issued. I might tell you that in Ottawa, they have implemented mandatory mediation, being run by the private sector in conjunction with the courts. Most of that mediation takes place within 90 days of the delivery of a statement of claim, and 80% of the cases going through mediation are settling in the Ottawa region now. We are about to implement that same process on a province-wide basis.

I can tell you that we have a draft rule that is now before Justice Morden's rules committee. We will I hope be getting finalization on that rule shortly so that we can begin mediation on a province-wide basis as each region becomes ready with a roster of mediators to do the work.

**1740**

But to get back to case management, we also have case management running in Windsor and in Sault Ste Marie. Those projects are being converted to the Ottawa model. As we've seen the success of that model taking place we have increased the number of cases now in case management in Metropolitan Toronto to 25%. I hope by the end of the year we can be at 50%. With our integrated justice project we will have the technology to get this project spread across the province over the next four years, which I think is very important.

We've brought back the office of the master and confined that role to a case management master. They will hear motions. They will help with cases that will be streamed into a roster to be run by a judge and a single master. All the motions and proceedings will take place before those individuals and they will monitor that time lines are met.

Where complicated cases now take in excess of five years, I hope we will be cutting those time periods in half. With that reduction, we will be continuing to provide a quality justice system at less cost to litigants.

**Mr Grimmer:** Two and a half years is still a long time to conduct a civil case, even in a complicated matter.

**Hon Mr Harnick:** I would hope we can shorten that time line, but we have to make allowances for complicated cases, cases that take a long time in terms of the preliminary procedures, and those cases will continue to exist. What we are very intent upon doing is providing all litigants with an early opportunity for mandatory mediation in civil non-family cases.

I hope that will give litigants an opportunity to get a case settled before they begin to incur significant expense. The pilot project that has been run, both in Ottawa and in Toronto, indicates that litigants who go through that process are very satisfied with the results they're getting and with the way the system deals with their problems.

**Mr Grimmert:** What about Small Claims Court? In the 14 years since I started practising, the cases have gotten too complex. In my opinion, too many lawyers are involved in Small Claims actions and there's far more documentation than there used to be. I have not been in the courts in the last two years and something may have changed there, but I get a surprising number of constituents who come in and complain to me about the complexity in Small Claims. They expect it to be something where you can walk in and get justice basically instantly. Now, that's probably unrealistic, but I wonder if the ministry is looking at Small Claims?

**Hon Mr Harnick:** We are. One of the proposals out there that we're looking at, although we have no affinity to move in this direction at this time, is increasing the limit of the Small Claims Court. The Small Claims Court still is traditionally a place where most litigants don't need a lawyer. They may choose to have a lawyer, and I agree with you that probably slows the process, but an awful lot of litigants still do not need a lawyer and don't take a lawyer to Small Claims Court. With the cost of litigation today, I think we would be remiss if we didn't take a look at increasing the limit of the Small Claims Court.

One of the commitments I have made to the author of the civil justice review is to see, over the next period of about a year, how the simplified rules which deal with cases of \$25,000 and less operate in terms of their efficiency and cost savings to litigants before I make any decisions about changing the limit of the Small Claims Court.

But I agree with you that it's an important court, and we're taking a look at how to streamline that court as well.

**Mr Frank Sheehan (Lincoln):** I'd like to follow up on what Bill was talking about. I'm a small business man, and I understood Small Claims Court was designed so that almost on an individual basis we could sit and resolve our differences and have somebody wise and objective make a determination.

You've increased the limit to — it used to be \$1,000; it's up to \$6,000 now. You've laid off a substantial number of experienced staff. The backlog has gone now from three weeks on an average to about three months, and you've raised the fees. So if it is supposed to be a court of equity, but there has to be some equity for the person who is owed the money.

Right now, if you start off, you put \$50 on the table; that gets you some forms. It costs you anywhere from \$20 to \$40 to get it served. Then if you want to go into a trial, I think it's another \$100. This is not a cheap game.

Then you say frequent users have to pay more. They use the term "banks" and all that. I share Mr Kormos's

great affection for banks. It's probably the only thing we do agree on, but we agree on something.

And one last thing: your forms. I understand there is now in the order of 20 forms, and these forms ask the same information but there are different ways on different forms. There's not even a standardization of the forms.

What was supposed to be a court of equity has now got so damned complex it's almost like rocket science to try to figure out how to collect a \$20 bill. There's no more equity in this process. You've effectively priced out — for the people who are in the habit of not paying their bills, it won't take them 30 seconds to figure out that they can't be touched for under \$150. Most of them you wouldn't anyway, because it would just be a pain in your neck to do it.

The complexity is leading people to use agencies to collect money, so now a small business man get rapped as a frequent user even though he may not be a frequent user but because the system is so damned hard to manipulate around he feels compelled to get a professional to do it. Then some of the issues, as Bill said, end up requiring a lawyer.

Do you have some plans to address this? If you have plans, do you intend to utilize the expertise of the people who are the victims of this process? Can you comment on that, please?

**Hon Mr Harnick:** The experience we have with the Small Claims Court is that it was the most expensive court to operate of any court that is run in the province of Ontario. We've tried to adjust the financial aspect of that court so that frequent users are going to pay the bulk of the costs associated with the courts. Most of those — I think it's 70% — are institutional users of the court who use the court as a collection device.

We certainly are concerned about all the issues you raise, and I can tell you we will be monitoring the court. We will be looking at some of the pilots that were run in past years that involved referees to effect mediation-type services with the Small Claims Court, to give parties an opportunity at an early stage to settle their cases.

We hope the court remains a court where we will not need lawyers in terms of all litigants coming before the court, because that would very much defeat the purpose. When you look at the cost of litigating a \$20,000 case, you have to wonder why cases upwards of that are not being dealt with in Small Claims Court, because the cost of going into the General Division has become prohibitively expensive for the average person.

Remember as well — and we talked about this yesterday with Mr Kormos — that the issue of costs is dealt with as part of the decision a judge makes. There is a small allowance towards a counsel fee if a party does have counsel and is successful. As well, the disbursement costs are ordered to be paid by the unsuccessful party, so there is an equalization of those costs.

It's important to know that the government was subsidizing that court to the tune of about 53% of its costs. We felt it was necessary to take a look at letting institutions — quite frankly, 70% of the users of the court are institu-



tional users which use it to collect debts. We had to make sure our costs are covered.

We will continue to monitor the patterns and the effects as a result of some of the changes we've made. If we think there are access problems as a result of the changes we've made, we will look at making further changes, but so far we don't have any indication of that.

Small Claims Courts are important courts. They should have, hope, by way of referees that have existed in the past, mediation services associated with them. Most of those kinds of cases are cases that can and should settle and we should be providing some means to ensure that that can happen if possible.

I agree with you that these are difficult issues. We've made certain changes in the hope of streamlining the court and ultimately making the court work better than it has in the past.

**Mr Sheehan:** I'd like to suggest one thing. I'm out of time, but I think you should go and sit in and watch what goes on, because I think some of your statistics may be at variance with the facts. Operating a small business, I've had the great pleasure of enjoying it, and I want to tell you that the story's a little different from what you're telling us.

**Hon Mr Harnick:** I don't take issue with what you've seen, because I've been to Small Claims Courts and I've seen the same things, but it does vary from jurisdiction to jurisdiction. We will monitor the patterns as a result of changes we've made to ensure that access problems are not being created. I hope you'll let me know if that is in fact the case, and I'm sure you will.

It's important to know that we took a look at making some very radical changes to the Small Claims Court, but I elected to keep the court in the form it has traditionally been in because I think it's important for people to have a judge and a courtroom setting rather than a mediation or an arbitration centre. I think we have an obligation to provide that service and to ensure that litigants have a place they can go to resolve civil disputes on their own. That's something we want to maintain. We are very amenable to listening to any constructive ideas you might have that we can use to make the system work better.

**The Acting Chair:** I'd like to thank the minister and the staff and the members for participating. On Tuesday, September 9, we'll have three and a quarter hours left.

*The committee adjourned at 1754.*





## CONTENTS

Wednesday 3 September 1997

<b>Ministry of the Attorney General</b> .....	E-1021
Hon Charles Harnick, minister	
Mr Graham Reynolds, assistant Deputy Attorney General, criminal law	

### STANDING COMMITTEE ON ESTIMATES

#### **Chair / Président**

Mr Gerard Kennedy (York South / -Sud L)

#### **Vice-Chair / Vice-Président**

Mr Rick Bartolucci (Sudbury L)

Mr Rick Bartolucci (Sudbury L)

Mr Marcel Beaubien (Lambton PC)

Mr Gilles Bisson (Cochrane South / -Sud ND)

Mr Michael A. Brown (Algoma-Manitoulin L)

Mr John C. Cleary (Cornwall L)

Mr Ed Doyle (Wentworth East / -Est PC)

Mr Bill Grimmett (Muskoka-Georgian Bay / Muskoka-Baie-Georgienne PC)

Mr Morley Kells (Etobicoke-Lakeshore PC)

Mr Gerard Kennedy (York South / -Sud L)

Ms Frances Lankin (Beaches-Woodbine ND)

Mr Trevor Pettit (Hamilton Mountain PC)

Mr Frank Sheehan (Lincoln PC)

Mr Bill Vankoughnet (Frontenac-Addington PC)

Mr Wayne Wettlaufer (Kitchener PC)

#### **Substitutions / Membres remplaçants**

Mr Peter Kormos (Welland-Thorold ND)

Mr Terence H. Young (Halton Centre / -Centre PC)

#### **Also taking part / Autres participants et participantes**

Ms Shelley Martel (Sudbury East / -Est ND)

Mr Gerry Phillips (Scarborough-Agincourt L)

#### **Clerk / Greffière**

Ms Rosemarie Singh

#### **Staff / Personnel**

Ms Alison Drummond, research officer, Legislative Research Service



**Legislative Assembly  
of Ontario**

First Session, 36<sup>th</sup> Parliament

**Assemblée législative  
de l'Ontario**

Première session, 36<sup>e</sup> législature

**Official Report  
of Debates  
(Hansard)**

**Tuesday 9 September 1997**

**Journal  
des débats  
(Hansard)**

**Mardi 9 septembre 1997**

**Standing committee on  
estimates**

Ministry of  
the Attorney General

**Comité permanent des  
budgets des dépenses**

Ministère du  
procureur général



### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Tuesday 9 September 1997

Mardi 9 septembre 1997

*The committee met at 1600 in committee room 2.*

## MINISTRY OF THE ATTORNEY GENERAL

**The Vice-Chair (Mr Rick Bartolucci):** May I have everyone's attention, please? First of all, thank you for attending. It seems that we have unanimous consent from all three parties that the government side will relinquish its time, which means that each of the two opposition parties has one hour left. It has been decided that the blocks will be 30-minutes blocks and that we will be able to vote on this at the end of this evening. Do we have unanimous consent? Thank you very much.

We'll start with the official opposition. You will have 30 minutes, Mr Cleary.

**Mr John C. Cleary (Cornwall):** One thing I'd like to talk a little about is the appointment of the official guardian. Some lawyers have complained to me that some of the solicitors are appointed to the official guardian again and again. This means other solicitors who are interested in lawyering for children with the official guardian are excluded. Minister, what would you say to these complaints? Have you heard this before, and are you be concerned about their concerns?

**Hon Charles Harnick (Attorney General, minister responsible for native affairs):** I have not heard that. The official guardian is now more formally referred to as the children's lawyer. They run a department that has lawyers contained in it, but in addition, I believe the children's lawyer retains lawyers around the province periodically. The assistant deputy minister in charge of this ministry is here. Perhaps she can tell us a little bit about how the lawyers are chosen. We look for lawyers who are experienced in the field, who understand the nature of the problems they're dealing with. I guess they're primarily lawyers who work in family court situations, although there could be other areas of expertise that occasionally would be called for. But Susan is here and she can advise you about what that process entails.

**Ms Susan Himel:** My name is Susan Himel, and I'm the public guardian and trustee and the assistant Deputy Attorney General. I'm responsible for the social justice services division of the ministry, and within this division is the office of the children's lawyer.

As the minister indicated, this was formerly known as the official guardian's office. The children's lawyer is the

office responsible for representing children in a variety of legal proceedings, primarily in the family law area in very difficult custody, access, child protection matters, and in certain civil litigation matters where the rights of children need to be protected independently.

As the minister indicated, the services are provided through in-house counsel, but also using a panel of private practitioners. There are over 300 lawyers across the province who apply to be on this panel, and they are selected because of their experience in the family law area and because of the expertise they bring to representing children.

They also are asked to apply every two years to the panel. It's a very open process. Every two years, they are asked to train again to be on this panel. They're required to attend training sessions which are very extensive and learn about skills in representing children before the courts.

It's quite a detailed process for retaining those counsels. They represent the child in proceedings before the courts and operate under the auspices of that office. I'd be happy to answer any other questions about it, if you have them.

**Mr Cleary:** Thank you. Minister, you've never been asked to meet with any of these lawyers who tried to get on this panel?

**Hon Mr Harnick:** Not that I can recollect.

**Mr Cleary:** Okay. The next issue is accounts not being paid by the Attorney General. A lawyer has told me that a number of accounts have not been paid because they were not submitted within the six months to complete the file. This lawyer says that he was never informed of the six-month limitation for submitted accounts. Although ministry officials replied that all lawyers were informed, your official could not apparently provide complete proof on how or when the notification may have been provided.

**Hon Mr Harnick:** Could you provide me with some details? Is this is a lawyer retained by the ministry to do work, or somebody maybe submitting accounts to legal aid? I don't know what the nature of the complaints is, but we'd be prepared to get you an answer. I don't know anything about it, Mr Cleary. I apologize for that.

**Mr Cleary:** This all came to me at second hand. I will get you the information.

**Hon Mr Harnick:** If you could get me the details, I'd be happy to find out about it and at least provide clarification. If lawyers are retained by the ministry and do work



for the ministry, we certainly, as far as I'm aware, make it a point to pay our lawyers. I don't know whether these are maybe stale-dated legal aid accounts, administered by the Law Society of Upper Canada, because they have time limits in terms of how long you have to submit a bill following the completion of the work. If you can get me that material, I'd endeavour to find you an answer.

**Mr Cleary:** We'll try to get that and pass it along.

I wanted to talk about Bill 108, the Streamlining of Administration of Provincial Offences Act. Several local lawyers, including the president of Stormont, Dundas and Glengarry Law Association, Pierre Guindon, has contacted me about Bill 108. Mr Guindon and others are concerned that Bill 108, when introduced, did not include provisions that would make it subject to the French Language Services Act or the Courts of Justice Act. This bill, after second reading in February, was referred to the general government committee earlier this summer, so I was wondering if you could confirm that the language rights concerns about Bill 108 have been addressed. I would also like to inquire when you expect Bill 108 to receive third and final reading.

**Hon Mr Harnick:** Bill 108 is an important bill for municipalities because it provides them with a source of revenue they don't have and at the same time really streamlines the administration of justice in so far as provincial offences prosecutions are concerned. It brings the balance, all but part III Provincial Offences Act prosecutions, into the municipal realm. It's very important that we clarify that no longer will the province be doing some and the municipality be doing some, except for the ones under part III of the Provincial Offences Act.

The Courts of Justice Act protects trials in French and will continue to apply in all areas of the province. Trials will still be offered in French. There's nothing in the legislation which would lessen the provisions of the French language services.

#### 1610

What we are envisioning is that each municipality that wants to become involved with the Provincial Offences Act will enter into a memorandum of understanding with the ministry. One of the things the ministry will be looking at is a way to ensure that the level of service will be no less than the level of service at the time the provincial offences prosecutions are devolved to the individual municipality.

We want to reach transfer agreements reflecting communities' needs. We want to maintain existing levels of service. We believe municipal governments are capable and responsive to the needs of the citizens in their communities, and we're confident that will ensure the successful transfer of the administration and prosecution of provincial offences.

**Mr Cleary:** And the final reading?

**Hon Mr Harnick:** I hope that'll be called very shortly and that we can deal with and pass Bill 108, because I think it's a very good thing for municipalities. It's also a very good thing for the public to know that there's one level of government dealing with provincial offences so

that they understand the system, and that it's not a split jurisdiction system. At the same time, we want to use memoranda of understanding with each jurisdiction that agrees to become involved in the prosecution of provincial offences; we think that will guarantee the existing levels of service.

**Mr Cleary:** Another issue concerns the involvement your ministry has with Bill 61, specifically the portion of Bill 61 that restores lien rights to architects. A representative from the Ontario Association of Architects has informed me that Bill 61 is a step in the right direction because it allows architects to claim liens on a project or clients who fail to pay after architect services have been provided.

It is my understanding that your ministry brought this legislation forward in June 1996 and that it had second reading within three weeks. However, Bill 61 has not proceeded since then. I would like to inquire what your intentions are for the lien rights for architects.

**Hon Mr Harnick:** We've indicated in that bill what our intentions are, and I think the architects are pleased with the direction we're moving in, as you've indicated. I think you were quite accurate in reciting those facts. We want to see that bill passed. It's one of what we call our red-tape bills. We think a great many things in that bill and the balance of the red-tape bills will make the administration, particularly on justice issues, much more streamlined.

We're anxious to pass those bills. I believe the House leader is dealing with the timing and scheduling of all the red-tape bills. I think there are two justice bills in the red-tape package, and there are a number of things that would streamline, from our perspective, areas of the justice system. I hope that will be law very shortly as well, and I think the architects will then have their lien rights restored.

It was regrettable that at one point the architects thought they may not need those lien rights. They've waited a long time, but we are answering their concerns and restoring those lien rights in Bill 61.

**Mr Cleary:** Do you think that'll be this fall?

**Hon Mr Harnick:** I would hope it would be. The House leader will decide when the red-tape bills can proceed, but we're all very anxious for that to happen, because they're important bills. I'm happy that you're supporting me.

**Mr Cleary:** Another area of concern brought to my attention by a constituent on August 22 involves your ministry's Limitations Act. As you know, the Attorney General under the previous administration introduced a bill in November 1992 that called for a two-year limitation period for most causes of action, with an ultimate limitation period of 30 years. Also, there was a special ultimate limitation period of 10 years for hospitals, health care professionals, building designers and contractors. It is the last provision which interests my constituent. He indicated that the 10-year limitation for claims against building designers and contractors was a good initiative because it reduced financial liability insurance and the

record-keeping burden for architects and engineering firms. Any comments on the bill or similar legislation?

**Hon Mr Harnick:** I was supportive of the last government and the limitation bill they didn't proceed with. I understand as well why they didn't proceed with it. It was because a number of the different aspects of the limitation bill and how that bill affects different ministries has not found general consensus in terms of the needed amendments.

I think it's an important area of law reform. Certainly it's something I would like to proceed with. I can tell you we are looking for the consensus among ministries, because there are a number of aspects of that bill that affect different ministries. We are trying to canvass the ministries to find what is going to be acceptable for them so we can make long overdue changes to the Limitations Act.

Issues pertaining to limitations have been debated probably for about 20 years. I know former Attorney General and now Chief Justice, Mr McMurtry, dealt with a major project when he was the Attorney General, looking at the reform of limitations. It's long-overdue. I agree with you.

**Mr Cleary:** Does that cross the bounds of more than three ministries?

**Hon Mr Harnick:** It does. It crosses the bounds of almost every ministry in the government in one way or another. I don't think there has to be agreement between ministries, but there is concern among individual ministries about the impact of changes to limitation periods; for instance, on hospitals, on architects, on engineers, on accountants, on environmental concerns, on some of the ultimate limitation periods that were suggested in the draft bill that the former government presented. We are trying to take a look at making some changes that would be acceptable so we could bring in a new Limitations Act.

**Mr Cleary:** Another thing is in my riding in eastern Ontario, the provincial courthouse, all the problems we had with the subcontractors and everything. I'm sure you've heard about that before. Is everything completed now? Are the contracts all signed and the deals all made and it is all set to proceed?

**Hon Mr Harnick:** To the best of my knowledge, the courthouse construction has begun in Cornwall. In designing courthouses, we work with users committees, which are made up of representatives of the bench and the bar and the public. Users committees agree on the plan of the interior of the building before the plans are finalized. Once that agreement has been reached, the tenders are sought and then the building can proceed. That's my understanding of what has happened in Cornwall. The assistant deputy minister responsible for courts is here. I don't know if she has any more information.

1620

I can tell you that your colleague in eastern Ontario, Mr Villeneuve, was very excited about the fact that the building was starting to be built. He was very excited about the fact that several governments had talked about building a new courthouse for Cornwall and we have finally been able to deliver on a promise of very long

standing, because the facilities were very inadequate in Cornwall. People are very excited about having a new courthouse in Cornwall. We're anxious to see that project move along. I don't know if Heather Cooper wants to add anything to that.

**Mr Cleary:** I'm going to take you up on your offer; you said there's a possibility that you might meet with some of the people who were on that committee. They said they had been insulted by your project manager and want to meet with you. I spoke to you back a few weeks ago, and I think they're going to take you up on that offer.

**Hon Mr Harnick:** I'd be delighted to meet with them. People are very anxious to see that courthouse built.

**The Vice-Chair:** Mr Cleary, we're going to alter the timetable slightly. The minister has been called to a P and P meeting in 19 minutes. What I suggest we do is allow Mr Kormos 10 minutes of questioning, if that's okay with Mr Kormos.

**Hon Mr Harnick:** No, it has actually been called for now, but Mr Flaherty is here, and I know he'd be delighted to answer your questions. I will be back in 10 minutes.

**The Vice-Chair:** You'll only be 10 minutes?

**Hon Mr Harnick:** I hope so. I will be back as fast as I can.

**The Vice-Chair:** Mr Flaherty, we have 10 minutes left with Mr Cleary, and then we'll go to the NDP for their 30 minutes. Is that all right with you?

**Mr Peter Kormos (Welland-Thorold):** If I may, Chair, I have no quarrel with the minister being required to attend a cabinet subcommittee, no quarrel whatsoever, and I am prepared to do anything we have to do to accommodate him. However, I find it peculiar that midway through estimates and discussion with the Attorney General the minister finds himself going to P and P and, rather than merely asking for a recess for the time he's in P and P, substitutes his parliamentary assistant.

Mr Cleary and Mr Brown, on behalf of the official opposition, have developed a series of questions and done so in a very logical way. Ms Martel and I, perhaps not quite as logical as my colleagues in the Liberal caucus in terms of our organization, have attempted to develop a theme or a series of questions. I don't think it's appropriate that — if Mr Cleary wants to pose questions, I don't speak for Mr Cleary in this regard; I suspect he'll speak for himself to Mr Flaherty. But I say to you, sir, to find ourselves without an exact time frame for the Attorney General, and with the parliamentary assistant being basically interjected without any forenotice, I'm not agreeing or consenting to that.

**The Vice-Chair:** Actually, if I can clarify just slightly, we were given a little bit of advance notice that the minister was being called to a P and P and that the parliamentary assistant would be assuming his position for the short time the meeting took place. That is why I asked the clerk to tell you we would be having this, just so we can be fair to everyone and that we maximize the effectiveness of the time we have together. We have two ways of going. We can ask for an adjournment, and if we don't get all-



party consent, we continue with the parliamentary assistant. Is that the way you'd like to proceed?

**Mr Kormos:** Chair, I am suggesting to you that you have some very strong powers to recess.

**The Vice-Chair:** Well —

**Mr Kormos:** I'm suggesting to you that you do. You have some strong powers to recess this committee to accommodate the Attorney General. I would certainly not object in any way, shape or form to you exercising that power. We're approaching the end of these and things have gone along quite well so far. I've been very pleased with the course of these estimates hearings. I'm suggesting to you that you have the capacity to recess the matters until the Attorney General can return.

**The Vice-Chair:** Without getting into a legal debate with a very good lawyer whom I respect, I believe the clerk has said that it's the committee that has the right to do that. Is it the request of the committee that we adjourn until the minister comes back or do we continue?

**Mr Kormos:** If it's in order, I would move that we adjourn awaiting the return of the Attorney General.

**The Vice-Chair:** There's a motion that we adjourn.

**Mr Kormos:** Recorded vote, please.

#### Ayes

Cleary, Kormos.

#### Nays

Beaubien, Doyle, Grimmert, Pettit, Wettlaufer.

**The Vice-Chair:** We will continue. You have nine minutes left, Mr Cleary.

**Mr Cleary:** As we've got the parliamentary assistant, I'll go to a lighter issue, the topless issue.

Parliamentary Assistant, as you well know, the Ontario Court of Appeal ruled this summer that women in Ontario have the right to go topless in public. This decision has caused a little bit of an uproar in a few communities; in our particular area there have been four or five incidents. Many people expect you and the ministry you represent would perhaps appeal the ruling. I know this issue isn't as big as it was a few weeks ago and it'll be less important as the weather gets colder, but it's still there.

In many communities, as I said, this has caused an uproar. While I've certainly heard from people in favour of the ruling, I would also like to say that a large majority is opposed. Just last week I presented a petition in the Legislature that was organized by Richard and Elaine Leger of the Cornwall area, with over 1,000 signatures. Another community petition signed by 3,800 was forwarded to the House of Commons on the same issue.

What are your views on the topless issue? Do you see the minister appealing the court ruling that has a major impact on Ontario men, women and children?

**Mr Jim Flaherty (Durham Centre):** The issue, as you know, Mr Cleary, is an issue that many of us have heard about from our constituents concerned about the issue of toplessness and appropriate public behaviour. The

court decisions of course were dealing with the federal criminal law; it is that criminal law that deals with the issues of indecent acts and public nudity.

The Attorney General wrote to the federal Attorney General earlier this year and asked the Attorney General to look into the matter further. There is a working group with representatives from across Canada that has been set up to review the issue of toplessness and report back to the Federal Uniform Law Conference, which is a federal-provincial law commission. They're to report back as soon as possible with respect to regulation. In the meantime, from a municipal point of view, the municipalities have bylaw powers that individual communities may choose to exercise.

It is a matter of federal criminal law with respect to setting the standard, and that is the federal criminal law that the judges have been interpreting.

**Mr Cleary:** Thank you. I got the answer I knew I was going to get.

As things have changed so much today and our critic is away at a meeting right now and wanted more time, could I stand down the rest of my time for her? If not, I could carry on for the next three or four minutes, whatever it is.

**The Vice-Chair:** The clerk tells me — thank God for the clerk — if the committee agrees, he can stand down his time.

**Mr Kormos:** Can I have one moment, please?

**The Vice-Chair:** Absolutely. There will be a caucus of the two opposition parties.

Do we have agreement? All right.

**Mr Cleary:** How long is it?

**The Vice-Chair:** You have four minutes.

**Mr Cleary:** Okay. That'll help.

1630

**Mr Kormos:** What I'm prepared to do is to relinquish that four minutes, not out of my time, but promptly when that critic arrives. Obviously, I've been interested in waiting for the Attorney General.

Bill 82 passed in the early part of 1997. The Attorney General spoke of it on December 3, 1996, as containing 10 tough tools. One of them was pursuant to section 47, reporting to credit agencies, to credit bureaus. Has that been utilized yet?

**Ms Andromache Karakatsanis:** I think it may be helpful for Lynn Binette, who is the director of the Family Responsibility Office, to outline what improvements have been made in technology to answer your question and talk about service improvements.

**The Vice-Chair:** Would you identify yourself for Hansard, please.

**Ms Lynn Binette:** Lynn Binette, director of the Family Responsibility Office.

**Mr Kormos:** What about section 47 and credit bureau reporting? Has that been implemented yet?

**Ms Binette:** Yes, it has.

**Mr Kormos:** Has it been utilized yet?

**Ms Binette:** Yes, it has. We started reporting defaulting payors in June 1997. We do that on a monthly basis. We're reporting 63,000 payors.

**Mr Kormos:** Has it resulted in any payors clearing their names with the credit bureau, so to speak, by paying the arrears?

**Ms Binette:** Not to this point in time that we can directly relate to the credit bureau reporting. This is a tool that may take some time before we see the effects.

**Mr Kormos:** Fair enough. Now section 43, the PPSA provisions —

**Ms Binette:** No, that hasn't been proclaimed yet.

**Mr Kormos:** Why not?

**Ms Binette:** We're doing some preparatory work with another ministry. We expect proclamation in the winter, in a few months' time.

**Mr Kormos:** I'm not really familiar with the PPSA, but as I understand it, it's a relatively straightforward procedure.

**Ms Binette:** We have to do some technology changes because we want to submit the information electronically.

**Mr Kormos:** When do you anticipate those technology changes will be achieved?

**Ms Binette:** In the winter of 1997-98.

**Mr Kormos:** Who's participating in those technology changes currently?

**Ms Binette:** It's the Ministry of Consumer and Commercial Relations and the Family Responsibility Office.

**Mr Kormos:** The Ministry of Consumer and Commercial Relations has to introduce new technology to accommodate the Family Responsibility Office?

**Ms Binette:** No. We have to do computer programming changes in order to be able to electronically transmit the information to consumer and commercial relations.

**Mr Kormos:** Is that being done now or is the Family Responsibility Office waiting for that work to begin?

**Ms Binette:** We haven't begun that work of the reprogramming yet. We have other technology changes we're doing first. We have a long list of technology changes we're working on.

**Mr Kormos:** Is that going to be contracted out or done internally?

**Ms Binette:** It's going to be done internally. The programming will be done by our programmers.

**Mr Kormos:** Section 66 dealt with the amendments to the Creditors' Relief Act. Has that been given effect to?

**Ms Binette:** No, it hasn't been yet.

**Mr Kormos:** What's the reason for the delay in proclaiming section 66?

**Ms Binette:** It will be included in a future part of the proclamation.

**Mr Kormos:** Are there problems there with technology?

**Ms Binette:** Not that I'm aware of. Not that I can think of at the moment.

**Mr Kormos:** Is there anything that the minister relies upon to justify delaying the implementation of that to coincide with the implementation of other amendments which require technological enhancement?

**Ms Binette:** I didn't quite follow that question.

**Mr Kormos:** Neither did I. Is there any good reason for delaying that?

**Ms Binette:** We took all the legislative initiatives and have taken some of them that we're able to do now — it's been a matter of workload. We can't do all of them at the same time. Rather than waiting until all of them are finished, we got a package of legislative initiatives ready and proclaimed those. That included voluntary opting out and the credit bureau reporting, as you said, and a lot of the other administrative things around the name change of the program and what not. We've now been focusing our attention on driver's licence suspension. That's been a major piece of work for us, with extensive testing and preparation for that, so we are ready for proclamation later this fall. Then, with some of the other legislative initiatives we're starting to work on now, it will be a few months before they're ready.

**Mr Kormos:** On April 24, 1997, the Attorney General was reported as saying that it's hiring 25 people to crack down on deadbeat parents. Has it hired any of those people?

**Ms Binette:** We hired 34 client service associates. They began their training on June 16. They have now completed their core training and they're on the telephones and they're starting to do their enforcement work. We have a competition under way to hire some additional staff.

**Mr Kormos:** So these people's sole purpose is to engage in collections?

**Ms Binette:** They do the full gamut of enforcement work and client service associate work.

**Mr Kormos:** Is there anything special about section 66 that makes it difficult to submit it for proclamation?

**Ms Binette:** The creditors' relief?

**Mr Kormos:** Yes.

**Ms Binette:** Nothing particularly difficult. It's a matter that we're just starting to work on it now because we've been working on the other.

**Mr Kormos:** I understand. It's a simple matter of paperwork.

**Ms Binette:** Nothing is ever so simple as just paperwork.

**Mr Kormos:** Well, the bill has received third reading and it's to be submitted for proclamation. Is that correct?

**Ms Binette:** Yes.

**Mr Kormos:** What does that involve?

**Ms Binette:** That involves us getting policies and procedures ready and working with whatever stakeholder groups we have to work with to make sure that everybody is on board and ready to implement this. We're not the only people affected. It's a matter of registering this as well.

**Mr Kormos:** Why would that involve registering if it's a simple matter of giving priority to arrears over other creditors?

**Ms Binette:** It takes training of other people in other parts of the ministry and in terms of receiving that information from it and acting on it correctly.

**Mr Kormos:** Sheriffs enforce collection of exigibles. Correct?

**Ms Binette:** Yes.



**Mr Kormos:** Do you think sheriffs would have that much difficulty understanding that if section 66 were given effect to, payments to the Family Responsibility Office have priority over other creditors?

**Ms Binette:** I can only go back to saying there were a lot of initiatives in that piece of legislation. We are working away at them. We have proclaimed some, we are working on some that are ready for proclamation soon and there are others that will be proclaimed later.

**The Vice-Chair:** Mr Kormos, could you speak up just a bit? We're having a little bit of difficulty hearing you.

**Mr Kormos:** Gosh, I'm sorry, Chair.

**The Vice-Chair:** Thanks so much.

**Mr Kormos:** What about section 41? Has that been proclaimed?

**Ms Binette:** What is that section related to?

**Mr Kormos:** Third-party enforcement.

**Ms Binette:** No, that hasn't been proclaimed yet.

**Mr Kormos:** What are the difficulties there? Do you require any technological upgrading, computer programming to give effect to that?

**Ms Binette:** That involves work with the judiciary. It involves work with the banks as well. We're talking about seizing joint bank accounts. There is a lot of work to be done in getting that one ready for implementation.

**Mr Kormos:** What stage is that work at?

**Ms Binette:** We've had a number of meetings with the bankers' association. We have forms drafted. We're discussing those forms that will be used for doing some of this third-party work. It also has to go to the rules committee around how the banks will handle some of that information. It's well in progress, but it's a few months away before we will be ready to proclaim it.

**Mr Kormos:** So section 45 and section 41 are basically in the same boat? One is joint bank accounts; the other is third-party?

**Ms Binette:** Yes.

**Mr Kormos:** What about section 46, the Ontario Lottery Corp?

**Ms Binette:** We have done some testing with them. We have a tape of information. They will be taking information from us about the payors. We are in the testing phase of that and we should be ready to implement that in a few months' time.

**Mr Kormos:** I don't understand what testing is involved.

**Ms Binette:** This is technology. Once again, the information will be available technologically, so we've had to do computer work on our part. That's what we're testing, to make sure it's accurately giving that information for the lottery corporation to read.

**Mr Kormos:** What's the anticipation on the part of the Family Responsibility Office that the lottery corporation will check with FRO records before it disburses any prizes in excess of \$1,000?

**Ms Binette:** The lottery corporation is aware of our legislation and will be adhering to it.

1640

**Mr Kormos:** How many lottery winners have been payors in default?

**Ms Binette:** I don't know.

**Mr Kormos:** So there could have been any number since the passage of Bill 82 that have escaped the impact of section 46.

**Ms Binette:** If you check with the lottery corporation, I don't think you'll find that there are that many winners each week, and for them to then happen to be part of our program, I don't know what that number would be.

**Mr Kormos:** Are you suggesting that it's not really a very important tool in the toolbox for enforcement of those in default?

**Ms Binette:** No, it's another tool we have, but we can't stand on one tool alone. It's the combination of all the tools together that will make us more effective in our enforcement, and that will certainly be one of them.

**Mr Kormos:** What about the screening of appointments to ABCs? Has that been done?

**Ms Binette:** We have been working with the office to set up the procedures for that to happen. My staff has had a number of meetings with the provincial appointments secretariat, and we should be ready to proceed with that soon — a few months' time, I should say. I don't want Sue to think —

**Mr Kormos:** I understand that. How many appointments are there on a monthly basis? Does the FRO know?

**Ms Binette:** My staff was told, and I don't remember that number off the top of my head.

**Mr Kormos:** Does that involve technology as well?

**Ms Binette:** We will be giving them read access to some of our information, but yes, there is a technology component to it. But there are also procedures that have to be written for how the two offices will relate and make sure we have the correct person. We don't want to give incorrect information about someone.

**Mr Kormos:** I understand, but I'm from a small town. Isn't it a matter of getting a list of the people who are intended to be appointed and checking them against the list of persons in default?

**Ms Binette:** We can't go by name alone, because you have people with similar names or you can have more than one person with the same name. A number of pieces of information are needed.

**Mr Kormos:** An address would be relevant, and a date of birth —

**Ms Binette:** Yes.

**Mr Kormos:** — and I suppose some general idea about their background.

**Ms Binette:** No, not general idea about their background, as I'm understanding your question. It's factual information that will allow us to identify the person.

**Mr Kormos:** Have you ever seen the curriculum vitae that are submitted by applicants to ABCs?

**Ms Binette:** No, I haven't.

**Mr Kormos:** You've got a pretty good idea that they contain a whole lot of identifying information, though, don't you?

**Ms Binette:** Yes.

**Mr Kormos:** You're not going to fingerprint these people, are you, because you don't have fingerprints of defaulters anyway.

**Ms Binette:** No.

**Mr Kormos:** It strikes me as strange. Lord knows how many people the government has appointed to ABCs who have been in default. There could have been hundreds of thousands of dollars worth of arrears slip through.

Tell us about the driver's licence suspensions. Many people think that's the single most powerful enforcement tool. You understand that.

**Ms Binette:** Yes. That has proven to be a very effective enforcement tool in other jurisdictions.

**Mr Kormos:** Even in Ontario. I don't even know if it still happens — the PA might want to respond — but when people get judgements against them as a result of motor vehicle accidents, is it still the law that a plaintiff can register that judgement unpaid with the ministry and that a licence will be suspended until the judgement is paid?

**Mr Flaherty:** The last time I was involved in something like that it still was the law, but that was some time ago.

**Mr Kormos:** Yes. I think it is. I'm not sure.

**Mr Flaherty:** I think it is also, but I'm not sure.

**Mr Kormos:** That was a matter of registering the judgement with the Ministry of Transportation. Am I correct in that regard?

**Mr Flaherty:** Yes.

**Ms Binette:** In terms of the driver's licence suspension, we had to do reprogramming of our own computer system, because once again we plan to transmit the information electronically from the Family Responsibility Office to the Ministry of Transportation. It also meant that the Ministry of Transportation had to do some reprogramming of their driver's licence computer system. The reprogramming has been done by both parties, we have tested that, and we know the information is being transmitted correctly. We are now testing the second leg of that. The Ministry of Transportation then transmits that information electronically to the OPP, where the actual suspension is done and noted in the CPIC system. That is being tested. We have all our policies and procedures in place, and we have trained the staff. We've selected the first hundred files ready for suspension. We've done the computer printout of all the cases that are in arrears and would probably be good candidates for this. So we have been actively working to get ready for this enforcement tool this fall.

**Mr Kormos:** That's good news. Are you ready for it now?

**Ms Binette:** Yes, we are.

**Mr Kormos:** So it's a simple matter of getting that section proclaimed?

**Ms Binette:** We're just about ready for proclamation.

**Mr Kormos:** Is there anything I can do to help? Can I go pick something up in Downsview and deliver it, per-

haps, to a — honest, if there's anything I can do to help, I would sincerely be pleased to. What can any of us —

**Ms Binette:** I do appreciate your offer.

**Mr Kormos:** Ma'am, you've got thousands upon thousands of women out there who — you know this; I don't have to tell you. I agree that the driver's licence suspension is probably the single most powerful tool of getting deadbeats to pay up, especially those who don't have traditional employer-employee jobs. What can any of us do, and I'm deadly serious, to speed up the process? If you tell us everything is ready to go, what can any of us do to help?

**Ms Binette:** We're in the last stages of testing. We met last week again with the Ministry of Transportation and the Solicitor General, the OPP part. That is the last part that is being tested out and that should be happening shortly.

**Mr Kormos:** Can you give us — I know how you guys work. You've got time frames. You do, don't you?

**Ms Binette:** I'm not going to comment on the time frames of MTO and the OPP.

**Mr Kormos:** You do have time frames, but you're just not going to — I appreciate why you wouldn't want to tell me what they are, because you might have passed them already.

**Ms Binette:** No. As I said, we had our meeting last week and we are doing more testing over the next week or two. We're making sure that everything is ready to go.

**Mr Kormos:** Your title again is —

**Ms Binette:** Director of the Family Responsibility Office.

**Mr Kormos:** Has there been a single division that has been responsible for the implementation of the 10 enforcement tools in Bill 82?

**Ms Binette:** Is there a single division?

**Mr Kormos:** Yes. Is it, for instance, you, as director of FRO?

**Ms Binette:** I have a number of staff who have been working on the implementation.

**Mr Kormos:** But it's FRO's responsibility, structurally?

**Ms Binette:** Yes.

**Mr Kormos:** You report to whom?

**Ms Binette:** I report to Susan Himel, the assistant Deputy Attorney General for social justice services.

**Mr Kormos:** Right. She was just here. That means advising her on the progress of these things?

**Ms Binette:** Yes.

**Mr Kormos:** Do you happen to know who she reports to?

**Ms Binette:** She reports to the deputy minister, the acting deputy being Ms Karakatsanis.

**Mr Kormos:** I know her well. I think, quite frankly, she's an excellent ADM. At the end of the day, who oversees all this development? Is it the Attorney General?

**Ms Binette:** The Attorney General is the minister responsible for this, yes, and he has returned just in time.



Can I correct something? I misunderstood one of your earlier questions. I got joint bank accounts, I think, mixed up with credit relief.

**Mr Kormos:** Quite right.

**Ms Binette:** The Creditors' Relief Act change was proclaimed. The joint bank account has not been proclaimed, or the PPSA, and I think I got —

**Mr Kormos:** All right. Section 66 of the bill was the Creditors' Relief Act and that has been proclaimed?

**Ms Binette:** Yes. It's the PPSA part that has not been proclaimed yet. I'm sorry. I got them confused.

**Mr Kormos:** No problem. Thank you kindly. I'm glad the AG is back too.

**Ms Binette:** Yes. He has overall responsibility for the legislation.

**Mr Kormos:** I know that. Thank you kindly, ma'am.

**The Vice-Chair:** Mr Kormos, you have 11 minutes left.

**Mr Kormos:** The parliamentary assistant confirms my belief that the Ministry of Transportation has been suspending the driver's licence of judgement debtors in the incidents of judgements arrived at as a result of motor vehicle accidents when those debtors have been in default for a number of years, well within many of our lifetimes. Is that your information as well?

**Hon Mr Harnick:** Yes.

**Mr Kormos:** What's the difficulty, then, in having the Ministry of Transportation suspend the driver's licences of people who are in default under the family support plan/FRO?

**Hon Mr Harnick:** I don't know. You'll have to ask them.

**Mr Kormos:** Unfortunately, your senior staff just identified you as the person ultimately responsible for the implementation of Bill 82.

**Hon Mr Harnick:** My understanding is that she explained the technicalities of that issue to you.

**Mr Kormos:** She explained to me that it has taken a great deal of time. I'm asking you what the obstacles have been.

**Hon Mr Harnick:** The first obstacle was that your government rejected this issue about seven years ago, or this would have been up and running long before that. It's quite clear that your government has been opposed to this idea. I regret that very much, because what has happened as a result of rejecting pleas from MAFIA and FAD — Mothers Against Fathers in Arrears and Families Against Deadbeats — is that there has been a huge escalation in uncollected family support benefits.

1650

The family support plan, as it was constituted, had very little by way of ability to make collection other than a formal writ of *fi fa*, and you would be aware that that is a very passive way to collect money from a debtor; you wait until they dispose of an asset and you get the money. The fact is that we are now taking a look at moving the plan to a much more active and aggressive means of collecting debts.

**Mr Kormos:** We're well beyond that, sir, because Bill 82 passed in the very early part of 1997. The person in charge of the FRO has been very fair and, quite frankly, protective of you, not inappropriately, in discussing the course of implementation of Bill 82. She also — it was rhetorical — identified you as the person ultimately responsible. I want to know what the problems have been with implementing the driver's licence suspension, which I think everyone agrees, yourself and myself included, is probably the single most powerful tool in enforcement. What were the problems?

**Hon Mr Harnick:** I'm delighted to hear that you're supporting the initiative, because it was your party who brought an opposition day asking to kill the bill. I'm really glad that you've seen the light, because it is a very —

**Mr Kormos:** I don't know what happened to you at P and P, Mr Harnick, but please don't carry your problems with P and P over into this committee.

**Hon Mr Harnick:** P and P went superbly, but I appreciate your concern about that as well.

**Mr Kormos:** I've gotten that distinct impression from your demeanour since you arrived back in this room.

Now, the bill was passed in the very early part of 1997. Please, what were the problems with the implementation of the mechanics to suspend driver's licences?

**Hon Mr Harnick:** There are no problems with the implementation. You describe it as if there must be a problem. There is work being done. My understanding is that there is some reprogramming involved, some electronic testing that goes on, a review of files to determine the most appropriate files to start with, because after all, you left us with a plan where 75% of the people in it were getting nothing. We found, when we closed regional offices, files that hadn't been opened for five years. We found 90,000 pieces of work that hadn't been completed and that were involved in a backlog. As a result of that and as a result of the chaos you left the plan in and totally neglected, as a result of the fact that you wasted years and years in terms of implementing aggressive ways to collect money, this has taken a considerable amount of time. As you were told, we hope that very shortly, this month, maybe by the middle of this month, we will be in a position to proclaim those sections.

**Mr Kormos:** When did the work start on the provisions of part V of the bill that would permit the MTO to suspend driver's licences of defaulting payors?

**Hon Mr Harnick:** I don't know when MTO started their work.

**Mr Kormos:** I understand that the work necessary to permit the utilization of part V of Bill 82 was done under the direction of the Family Responsibility Office.

**Hon Mr Harnick:** That's right.

**Mr Kormos:** When did that work start on the relationship with the Ministry of Transportation?

**Hon Mr Harnick:** I believe it would have been shortly after the bill was passed, maybe before. I don't know.

**Mr Kormos:** What type of work had to be done with the Ministry of Transportation?

**Hon Mr Harnick:** There had to be issues that involved — and I've answered this already — computer programming, electronic transferring. I'm not familiar with the ins and outs of that to be more precise, but that's my understanding.

**Mr Kormos:** Was this work prioritized by you?

**Hon Mr Harnick:** I relied on the experts who told us what had to be done in terms of information technology and those issues.

**Mr Kormos:** But I'm asking you, sir, was the work prioritized by you, as the person ultimately responsible for the implementation of Bill 82?

**Hon Mr Harnick:** Are you asking me whether I drew up a list and said, "You're going to do this first and this second and this third and this fourth"? The answer is no, because I don't have the technical ability to do that work. I relied on experts who existed in both ministries to perform the work to make this system go.

**Mr Kormos:** You recall that earlier in 1997 you predicted a much earlier implementation date for part V of Bill 82 that effected the suspension of driver's licences.

**Hon Mr Harnick:** I was hopeful that the work would be done faster than it has been, but this is a very significant step we're taking — it has never been done before — and people were proceeding cautiously.

**Mr Kormos:** Was it in-house work that was utilized for the computer technology?

**Hon Mr Harnick:** I believe so, but I don't know that I can say it was 100% that. I don't know what the Ministry of Transportation's advice was.

**Mr Kormos:** Was the problem that resulted in the delay as a result of MTO not being capable of accommodating?

**Hon Mr Harnick:** No, I don't think that was the problem. I think the problem was that there was a significant amount of work that had to be done dealing with information technology and electronic work, and it took some time.

**Mr Kormos:** When you initiated this process — and I trust from what you say that you initiated it promptly after third reading of Bill 82 or, as you suggested, perhaps even before — did you inquire as to how long it would take to give effect to part V of the bill?

**Hon Mr Harnick:** There was a great deal of work to be done that had to involve two ministries' information technology. A lot of the work that had to be done to permit us to properly implement the driver's licence suspension involved reducing the backlog we found in the regional offices. Certainly the phone capacity we had with the plan was not great enough, because we had 90,000 people calling us to say, "The regional office was looking after our cost-of-living allowance adjustment and it hasn't been done and that was three years ago."

Part of our ability to implement the driver's licence suspension involved the technical work between two ministries, identification of files that had been long-neglected in many cases, and also involved the ability to deal with the backlog before we undertook further work and added it to what was on our plate.

**Mr Kormos:** But when you failed to meet your first time frame, was that as a result of the failure of the Ministry of Transportation to fulfil its commitment within the time frame or to staff within the FRO?

**Hon Mr Harnick:** I don't think it was the fault of anyone. I think it was the fault of the fact that we inherited a plan that was a disaster, and that we didn't have the capacity —

**Mr Kormos:** How did you arrive at your first time frame?

**Hon Mr Harnick:** Why don't you let me finish, Mr Kormos? Let me finish my answer. We inherited a plan that was a disaster —

**Mr Kormos:** So you said. How did you arrive at the first time frame?

**Hon Mr Harnick:** Well, let me finish my answer.

**The Vice-Chair:** Mr Kormos, would you allow the minister to finish his response? Then he can answer your second question. Thank you.

1700

**Hon Mr Harnick:** We inherited a plan that was a disaster. We inherited a plan that had a client service component to it that was virtually non-existent. We wanted to clear the backlog so that the staff working at the plan would have a chance to properly be able to deal with the implementation of driver's licence suspension. We trained new staff for this. That took time. If you want to point fingers and say, "Whose fault was it?" I don't know the answer. I don't think it was anybody's fault. I think it was work had to be done and it had to be done properly.

**Mr Kormos:** Are you suggesting that you deferred the work required to give effect to part V, as you just suggested, by virtue of waiting to start that until you cleaned up what you saw as other problems?

**Hon Mr Harnick:** We had to clean up the inability of the plan to deal with its day-to-day workload. The state the plan was in, when we found from the regional offices 90,000 items that had been backlogged, was pretty abysmal. That may be fine for you and that may be your justification to keep the regional offices open. But the money that had been wasted, for instance, on lawyers going to court to get cost-of-living allowances adjusted that never found their way into orders, that never found their way into the paycheques that women and children received, I think was totally inappropriate.

**The Vice-Chair:** Minister, if I can interrupt, your time is up, Mr Kormos. However, the critic is not here from the official opposition. If you would like to continue this line of questioning until she arrives, we'll take it off your last half-hour.

**Mr Kormos:** If I have to, I will, Chair.

**The Vice-Chair:** Thank you very much Mr Kormos.

**Mr Kormos:** I'm still interested in whether the implementation of part V, the suspension of the driver's license, was deferred until other work was done or whether it was begun promptly, with priority.

**Hon Mr Harnick:** It was done promptly in terms of the preparatory work. But our ability to implement and proclaim that section was not something we wanted to do



while there was 90,000 pieces of work in a backlog. Yes, we continued the work of dealing with the implementation, but we also had to deal with the backlog.

**Mr Kormos:** You were aware, though, of the status of files in FSP/FRO in the very early part of 1997 when Bill 82 received third reading.

**Hon Mr Harnick:** Those 90,000 items, significant items to those who depended on the corrections to be made, involved an awful lot of work. Those items which you think mysteriously should have jumped on to the plate had been sitting around in regional offices for three years, with nobody looking at them. It's not something that happened suddenly. It was a backlog that had to be dealt with, and we have about 38,000 items still to be dealt with.

**Mr Kormos:** What does that mean in terms of the implementation in terms of Bill 82 and the tools for enforcement that are there? Most of those aren't in effect yet.

**Hon Mr Harnick:** We have implemented phases of the bill. We're phasing it in over time. It's very important that our people at the family support plan can handle this extra workload. I know your plan would have been just to leave 90,000 pieces in the backlog and spend a lot more money on a plan that wasn't working. What we have done is fundamentally change the way the plan works.

**Mr Kormos:** Section 46 was a relatively modest proposal, won't you agree?

**Hon Mr Harnick:** Tell me what section 46 is. I didn't memorize the bill.

**Mr Kormos:** It's your bill. It gave the Ontario Lottery Corp the authority to deduct support arrears if a defaulting payer wins a prize of \$1,000 or more. What difficulties are there in giving effect to section 46?

**Hon Mr Harnick:** I don't know. I know there have been discussions between ministries and that will be implemented. I don't think that's particularly a big area in which money can be collected for those who need it. I don't think it's one of those everyday things, but you're probably right. That could have been implemented.

**Mr Kormos:** Why wasn't it?

**Hon Mr Harnick:** I think the priorities were to deal with the driver's license suspension, to clear the backlog, to get the credit bureau reporting up and running, to deal with developing the request for proposal that we will be sending out shortly which is being prepared now, to get the private sector involved with the plan so we can get real professionals to collect debts rather than just leave the files in the bottom drawer because they're difficult. There was lots of work being done.

**Mr Kormos:** Or files in any number of places, in cartons and what have you.

I'm told there aren't that many winners of \$1,000 or more a month. It just strikes me as strange why OLC couldn't be required to check with FRO to see whether any of those people were defaulting payors.

What about the screening of appointments to the boards, agencies and commissions? I understand that hasn't been given effect to either.

**Hon Mr Harnick:** Discussions are proceeding in that regard. It's part and parcel of a review of agencies, boards

and commissions that is now ongoing. I think that process will be going shortly. It's important, but in the grand scheme of things, I think that particular issue is not an issue that enhances collection.

**Mr Kormos:** That's strange, because in your speech to the Legislature on December 3, 1996, you said, "We are introducing 10 tough tools." You led off, of course, with driver's licence suspensions, but among your tough tools was the screening of appointments to boards, agencies and commissions, page J-1519 of the Hansard transcript. Among your tough tools was the screening of lottery winners in excess of \$1,000. They're either one or two of the tough tools or they're not. You're saying they are not part of the 10 tough tools any more.

**Hon Mr Harnick:** They're all, in combination, very important items. The ability to deal with people who shelter is a very important item. The ability to deal with access to joint bank accounts is a very important item. But they're also very complicated items. In terms of the work being done, there is an attempt to implement these areas so that we will have the enforcement capacity that the plan should have had many years ago. Your government didn't do anything.

**Mr Kormos:** But the Ontario Lottery Corp, section 46 provision, is a very easy one to —

**Hon Mr Harnick:** I've already agreed with you on that.

**Mr Kormos:** Okay. And the screening of appointments to boards, agencies and commissions is a very easy one to —

**Hon Mr Harnick:** I don't disagree with you.

**Mr Kormos:** You tell me that these are all equally important. Why wouldn't you have allowed them to give effect to the easy ones?

**Hon Mr Harnick:** The fact is that we have taken a look at those items and we've said it is important to deal with the issues that are collection-directed. That's the way we've proceeded. But I don't disagree with you.

**Mr Kormos:** On April 24, 1997, on Sudbury radio, CBCS-FM, at 7:33 in the morning, you were quoted as saying that 25 so-called collectors are going to be hired who will have the power to suspend drivers' licences, lower credit rating, garnish wages and register claims against assets. That was on April 24, 1997. Have those collectors been hired?

**Hon Mr Harnick:** I don't know if you're talking about hiring more client services associates, but I think we hired 34 of them in April 1997. I'm a little confused, because I don't know the context in which you're speaking. I know we also have a request for proposal we're preparing, that is about to go out to the private sector, to engage private sector collection agencies to help us collect long-standing debt.

**Mr Kormos:** This is the total of the news report: "The Harris government says it's hiring 25 people to crack down on deadbeat parents. They racked up a billion dollars in overdue support payments to ex-spouses. Some of the payments go back seven years. Attorney General Charles Harnick guesses that half the money owed may

have to be written off as uncollectible. Harnick says the 25 so-called collectors that are going to be hired will have the power to suspend drivers' licences, lower credit ratings, garnishee wages and register claims against assets."

**Hon Mr Harnick:** That is obviously not a quote from me but someone's interpretation of what I said. I can't comment on it. I don't know how accurate it is. If you give me a transcript of what I actually said in an interview, that might be helpful, but that's obviously somebody's interpretation of what I've said. I can't comment on that.

1710

**Mr Kormos:** As an interpretation, is it accurate?

**Hon Mr Harnick:** I don't know. I'd have to see what I said. I don't know who interpreted it. I'd have to see the transcript of the interview. If you have it, I'll be happy to look at it.

**Mr Kormos:** In April 1997, did you believe that by way of a guess half the money owed may have to be written off as uncollectible?

**Hon Mr Harnick:** You'd have to show me the transcript, but realistically — and you'd probably agree — collecting old debt is very difficult. I would not be giving guarantees that we would be able to collect debt that might be several years old. It's not our plan, nor has it ever been, to write off debt. With the help, in some situations, of the private sector, we want to see how much of that debt is collectible. It stands to reason that the older debt gets, the harder it becomes to collect it. I did say, "I guess." The reason I said "I guess" is because I don't know the answer.

**Mr Kormos:** When you shut down the regional offices and there was a plan for the Downsview office, the centralized office, who was the hands-on person responsible for developing that FSP/FRO office at Downsview?

**Hon Mr Harnick:** Susan Himmel would probably be able to give you those answers.

**Mr Kormos:** You don't know.

**Hon Mr Harnick:** I think there were a number of people. As far as I was concerned, the assistant deputy minister was the one who was in charge and had people working and reporting to her on the project.

**Mr Kormos:** Fair enough. My recollection is that some 289 workers in the various regional offices were terminated as a result of the decision to shut down the regional offices.

**Hon Mr Harnick:** They resigned, I suppose. Notices were given and they had an option as to whether to stay.

**Mr Kormos:** I don't think they resigned.

**Hon Mr Harnick:** They were given notice and they had an option.

**Mr Kormos:** Perhaps seniority rights or something to that effect. I have no quarrel with that.

How many people are working for the FSP/FRO now in a front-line service type of position? How many workers are there for the FSP/FRO?

**Ms Binette:** We have 121 client service associates today and we're recruiting for another 18.

**Mr Kormos:** Fair enough; 121, plus 18 to come.

**Ms Binette:** It will be 139 as our approved complement of client service associates.

**Mr Kormos:** That's client service associates. What else do we have in terms of the staff makeup?

**Ms Binette:** We have financial reconciliation officers.

**Mr Kormos:** How many of those are there? Do you know?

**Ms Binette:** There are about 35 of them; it might be 37.

**Mr Kormos:** What do they do?

**Ms Binette:** They are the people who work with the trust fund and handle all the adjustments that have to be done to the arrears and ensure the integrity of the trust fund and that the money is getting out to the correct people. If there's a problem in terms of processing a cheque that has come in, they are the people who identify to whom that payment should be going.

**Mr Kormos:** How many of those are there?

**Ms Binette:** It's 35 to 37 positions. We've just done some recruitment; the new ones start next week.

**Mr Kormos:** The other positions of people working for the FRO?

**Ms Binette:** We have legal services.

**Mr Kormos:** Is that right at the FRO office?

**Ms Binette:** Yes, it is.

**Mr Kormos:** How many of them are there?

**Ms Binette:** We have a complement of about 14 counsel. We also have intake officers, about 47 of them.

**Mr Kormos:** Okay. Let's keep going.

**Ms Binette:** We have some management staff. There are about 19 or 20 management staff. We have some planning and support staff, six. We have information technology staff.

**Mr Kormos:** Those are computer kinds of people, right?

**Ms Binette:** That's right. We have some vacancies there that we are recruiting for and some new positions we've created. When we get all of those positions filled there will be about 20 of them.

**Mr Kormos:** Twenty —

**Ms Binette:** Systems officers, information technology staff.

**Mr Kormos:** I'm writing "computer people," because that's what I call them. What else have you got?

**Ms Binette:** We have some project staff who have been seconded to the program to help us with the program.

**Mr Kormos:** Those are secondments.

**Ms Binette:** We have in total 274 full-time positions. I don't know if that adds to exactly 274, but that's what our ongoing complement will be.

**Mr Kormos:** Fair enough. That's going to be a give or take.

Attorney General, why is the 1-800 line not being answered?

**Hon Mr Harnick:** Lynn Binette would probably be the best person to answer that question, because I don't know the answer.

**Mr Kormos:** You don't know the answer. Did you know that it wasn't being answered?



**Hon Mr Harnick:** My understanding was that it was being answered and that the automated phone system took thousands of calls every day. You might want to ask her.

**Mr Kormos:** I'm going to. Why isn't the 1-800 line being answered? We've received reports that it's not being answered and some of our staff have —

**Ms Binette:** We have a number of 1-800 lines. Are you talking about the lines to our live agent, the client service associate number?

**Mr Kormos:** Client services.

**Ms Binette:** It is being answered. We have been steadily increasing the number of calls that we can handle, and as recently as yesterday we were handling almost 2,000 calls.

**Mr Kormos:** What about the MPP line, the number that MPPs' constit offices were given to facilitate MPP inquiries, of all stripes. I know that people from all sides of the House are using it. My staff tell me that they can't get through on that line. They've called Bell, and Bell said everything is okay. What's the problem with that line?

**Hon Mr Harnick:** I'm not aware that there is a problem, but maybe Lynn can answer that as well.

**Ms Binette:** I'm not aware that there's a problem either. Usually, you can get through. There's very seldom a busy signal on that line.

**Mr Kormos:** You've got 274 staff at the Attorney General working for the FRO. How many of those staff had previously worked for the family support plan, that is to say, were experienced in the operations of the family support plan?

**Hon Mr Harnick:** Again, you'd have to ask Lynn. I don't know the answer.

**Ms Binette:** It's between 50 to 60 staff.

**Mr Kormos:** So 50 to 60 of your staff have experience in FSP/FRO.

**Ms Binette:** Have been with the old program, yes.

**Mr Kormos:** So 50 to 60 out of 274.

**Ms Binette:** Yes.

**Mr Kormos:** Attorney General, you indicate that your staff has been preoccupied with dealing with backlogs, with implementing Bill 82. How many staff do you anticipate you'll have once the FRO in Downsview is fully operational, handling the admittedly heavy load of work it handles?

**Hon Mr Harnick:** Lynn can best answer that.

**Ms Binette:** It's 274.

**Mr Kormos:** So you're fully staffed now.

**Ms Binette:** Yes.

**Mr Kormos:** You're not going to hire any more staff there?

**Ms Binette:** We have recruited over that 274; 274 is our permanent staff that we expect to have on an ongoing basis. We have brought on some additional temporary staff to help us deal with the backlog and to deal with some our projects. When those backlogs are finished, those staff will no longer be required. They're just temporary staff.

**Mr Kormos:** That's temporary in addition to the 274.

**Ms Binette:** That's right.

**Mr Kormos:** The Attorney General suggested to me — and maybe I'm wrong in my interpretation — that the staff were preoccupied with the backlog, which is why they couldn't devote as much time, effort and energy as one would want to Bill 82.

**Ms Binette:** On the backlog, we have a combination of both our permanent staff and temporary staff working on it, so it's a mix of both. We originally tried to have just our own permanent staff working on the backlog and it was taking too long to get the backlog done with that approach. We just recently brought on a number of temporary staff to assist. We brought on 40 additional staff to help with the financial adjustments and the COLA adjustments to which the minister was referring.

**The Vice-Chair:** Mr Kormos and Lynn, thank you very much. Mr Kormos, you have 10 minutes left in your last half-hour because you have been so compliant in allowing us to alter —

**Mr Kormos:** That's just the kind of guy I am, Chair.

**The Vice-Chair:** Would you like to continue your 10 minutes or would you like —

**Mr Kormos:** No, sir, we'll defer. We'll let Ms Castrilli pick up and then Ms Martel.

1720

**Ms Annamarie Castrilli (Downsview):** I apologize for my delay and indeed for not being here for the beginning of the session. As you know, I have not been in the Legislature.

I confess, not having had the benefit of Hansard, I hope the minister will excuse if there's any repetition in the questions I'm about to ask. We tried earnestly to get a copy of Hansard so we wouldn't put you through the difficulty of having to go over past questions, but we were unable to get it. There's a backlog there too.

Let me start with that, with the court backlogs. As you know, that's been a question of some difficulty. There has been, over the course of the past year and a half, severe criticism of your ministry, not just by the users of the service, the clients, but indeed the judiciary has been very concerned that there were cases that were being not attended to because there was not enough personnel, not enough bodies to deal with it.

I'm told by the crown attorneys association that the number of crown attorneys in this province have to deal with something like 250,000 cases, and there are 400-and-some crown attorneys to deal with what is an inordinately high number of cases. We've all read the reports of what that means, that there have been alleged accused of various crimes who end up not being able to be dealt with in court because their cases did not come up swiftly enough.

I'd like to hear from you how we're dealing with that, because it is an issue of public confidence. We both agree that the public must be well served, and we both agree, I'm sure, that it's not just a question of justice being done but it seeming to be done. At the moment I'm not entirely sure that the public would agree that justice is being well served in this particular area. I'd like to hear your views on that.

**Hon Mr Harnick:** It's an important question and I appreciate it. I handed out — I don't know whether we have another copy for Ms Castrilli. As a result of questioning the other day, we provided an indication of the number of crown attorneys we have in the system.

Today we have 535. We had 522 in 1996, 502 in 1995 when we took over the government. I think the most crown attorneys in the system during the NDP years was 504. During the Liberal years, we had, in 1988, which is as far back as the records go, 354 crowns, raising to 387 in 1990 when the Askov crisis occurred, and it was only after that that we began to see an increase in crown attorneys.

In addition to the 535, that does not include 13 new positions to be filled as a result of the new funding for domestic violence courts and illegal gaming. You can see quite clearly that the number of crown attorneys has gone up since we became the government and is going up further as a result of the specialized courts we have opened dealing with domestic violence and as a result of a desire on the part of the Solicitor General to take a look at and crack down on illegal gaming.

It's also important to know that we are doing something that the previous government didn't do, and I can understand why they didn't do it. They hired a significant number of crown attorneys to deal with the implementation of the investment strategy, and some of those crown attorneys have now been in the system for about five years. I guess there are 60 who were originally hired as investment strategy assistant crowns. We are now taking a look at a mechanism to start to make some of those crown attorneys permanent assistant crowns, not on contract, and we are looking at developing a competitive process to create the way we make those conversions.

I think you can see that by comparison with the government that was in power from 1985 to 1990, we have increased levels of crown service so we don't have an Askov crisis as occurred when the government changed, in September or October of 1990.

We as well have taken a look and look on a regular basis at the numbers in each of the areas, particularly with a view to the provincial courts.

I might say one little amount about the general division. The general division referral of indictments are down 40% across the province. In terms of criminal cases at the general division, there really are no backlogs. There has been a dramatic drop in cases being referred to the general division because of changes made in the Criminal Code and the reclassification of offences.

In terms of our backlog situation in the six most built-up locations, we have now — if I can find the statistics on these — effectively made headway in every single jurisdiction and have held our own in Brampton, which still remains the busiest court jurisdiction in the country.

You know that we are in the month of October breaking ground on a new courthouse for Brampton, a courthouse that was promised by your government and never delivered and by the previous government and never delivered. We are about to break ground on that courthouse in October. I think Ellis Don has won the contract. We are

building a courthouse that will have 29 new courts and five existing courts in an adjacent building, with room to expand for five more courts. We're going to be ending up with more courts in Brampton than the original plans had called for, so we're very pleased about that.

But in the six most heavily built-up areas, we have reduced — I wish I had the material here. Graham, do you have some of those raw numbers I was looking at last week? We have been able to raise the early resolution rate of cases in provincial courts to about 73%. The trial rate is about 8%. Those numbers have continued to come down. Trial dates in the six most heavily backlogged areas, save and except for Brampton, in the five other areas — for instance, in Newmarket we've gone from 10 months to two months to get a trial. Scarborough is the same. It has come down well within the eight months. I don't think North York was part of the blitz, but it's continually been within that range. No, North York was part of the blitz. Etobicoke and Barrie also were in a position where trial dates were not being obtained within the eight-month period. You're now able to get a trial date in those jurisdictions in a matter of a few months.

All in all, we've seen about a 13% reduction of cases in the inventory that are awaiting trial. It's the first time in about a decade, save and except for the Askov cases, where 50,000 or 60,000 were jettisoned from the court system at one time. We have seen a receding of the backlog waters.

I can tell you that since November 1996 we've reduced the number of charges in progress in the six court locations by 13.2%. In Scarborough, charges in progress have been reduced by 28%; in Newmarket 27%. The numbers in Etobicoke are around the double-digit figures, and North York as well. For the first time in a decade, we have made a considerable inroad into reducing backlog pressures.

I can tell you that I meet regularly with Chief Judge Linden, who has been more than cooperative in assisting the work we're trying to do. His judges have been going overboard to help us fight this backlog problem. We are implementing new crown practices that we're seeing very good results with, that we will as well start to use in other jurisdictions.

**1730**

**Ms Castrilli:** Let me ask you a little bit about that, if I may. I want to say at the outset, Minister, that I am not interested in partisan politics. This may seem very strange to you coming from a member of the opposition, but I'm not interested in getting into the whole history of who did what, when. The reality is that we have a public that requires all of us to deliver a quality of justice and a system of justice that is fair, that is accessible and that people can afford.

**Hon Mr Harnick:** I agree.

**Ms Castrilli:** My questions are designed to deal with that. Who delivered what courthouse when, to me is irrelevant.

Let me just ask you a few questions about the crown attorney issue, because it is a burning issue. I think the



figures you've cited of the increases over the years are really not total numbers, because it doesn't tell us what the charges pending were, how many cases were in the system at the time. But let me ask you about the current practice, because you say you've gone from a low of 433 to 535. How many of those are full-time?

**Hon Mr Harnick:** I believe that almost all of those are full-time numbers. Some of them, though, about 60, are contract crowns. Of 101 unclassified, 60 are investment.

**Ms Castrilli:** What does that mean? Does that mean that they are part of the blitz and therefore won't be there afterwards, and so we're back down to 433?

**Hon Mr Harnick:** No. My understanding is that's not so. The number of crowns active in the field are 535, plus the 13 new crowns that are being hired.

**Ms Castrilli:** Why aren't they full-time?

**Hon Mr Harnick:** You'll have to ask Graham Reynolds, who is the assistant deputy minister responsible for criminal law. He can answer those questions.

**Ms Castrilli:** Let me tell you where I'm going with this as Mr Graham comes up. If these are part-time and subject to termination — they are contract positions, so they are certainly not in the system and wouldn't have necessarily the same guarantees — we really are providing a Band-Aid solution to the problem of backlogs. I want to tell you in advance where I'm coming from because I want a full answer from the deputy.

**Hon Mr Harnick:** I understand. Sixty people were hired on contract when the investment strategy was implemented by the previous government, in accordance with the recommendations of the Martin report. Those 60 crowns are still in the system working on contract. We are now moving to make those crown attorneys, through a competition process, permanent assistant crown attorneys.

**Ms Castrilli:** Can those contract crowns apply for those positions?

**Hon Mr Harnick:** Absolutely, and that's what is going to happen. Quite frankly, I have been disturbed about this for a long time, because when they were hired, they were hired to do I guess what you'd describe as prosecutions of minor crime. By getting young crown attorneys on contract to do that, you were freeing up the time of more experienced crown attorneys to implement the investment strategy.

**Ms Castrilli:** And paying those crown attorneys peanuts.

**Hon Mr Harnick:** Well, no. You're wrong about that, because my understanding —

**Ms Castrilli:** I've talked to a lot of them, and that's why I want to hear your view of this.

**Hon Mr Harnick:** My understanding is that a crown attorney on contract is paid approximately the same as a crown attorney within those same year ranges or experience ratings, and they're given a premium on top of what they're paid because they're not receiving benefits. I will grant you that for the kind of work they're doing, we have to take a look at making them permanent assistant crown status. I'm not going to talk about the negotiation process and the salary process, but —

**Ms Castrilli:** I urge you to look at that, Minister, because typically these are women and typically "on contract" means they are not working full-time and they are not being compensated —

**Hon Mr Harnick:** No, all the contract crowns pretty much are — there's a big difference between a per diem crown and a contract crown. These contract crowns are full-time people who receive a premium to make up for the fact that because they're not full-time employees, because they're on contract, they don't get benefits. They're paid a premium to make up for roughly the value of the benefits.

**Ms Castrilli:** Let me ask you what you think will be the total number of crowns after you've been through this process. We now have 535, according to what you've just given me. What are we looking at?

**Hon Mr Harnick:** We're looking at this 535, plus an additional 13.

**Ms Castrilli:** So we are going to have 548 permanent crowns.

**Hon Mr Harnick:** That's right. You're going to have 548 crowns, and of that there will be some who will be on contract. There will be a conversion process taking place to take some who are on contract and make them permanent, but there will always, I suspect, be some contract crowns. Contract crowns are not per diem crowns; they get a premium for the benefits they're not getting as a result of the fact that they're on contract.

**Ms Castrilli:** Explain to me why in your estimates we're looking at what appears to me, on page 88 — I want to try and understand. There appears to be a 6.5% reduction overall and you've got what appears to be a dramatic increase in the crowns. It's a pretty dramatic reduction, it seems to me, that you've got there: 6.5% of the total operating budget is being deleted.

**Hon Mr Harnick:** Yes, but that's for the administration issues. It doesn't have anything to do with the cost of crown attorneys.

**Ms Castrilli:** Would you refer me to the section that does deal with crown attorneys and how much we're actually spending?

**Hon Mr Harnick:** I don't know if I can, but I know somebody in this room can.

**Ms Castrilli:** I'd be interested in knowing exactly what the expenditure is.

**The Vice-Chair:** Graham, do you have that information handy? Could you identify yourself, please?

**Mr Graham Reynolds:** For the record, I'm Graham Reynolds. I'm the assistant Deputy Attorney General of the criminal law division. I'm advised that that material can be found at page 71a of the briefing materials and the budget material.

**The Vice-Chair:** We don't have 71a, we only have 71.

**Ms Castrilli:** No, I don't have 71a either. That's the problem.

**Hon Mr Harnick:** That's our cheat sheet to tell us how this works.

**Ms Castrilli:** I would be delighted to hear what the figures are on your cheat sheet, if you could share those with us.

**Ms Karakatsanis:** Perhaps I can speak to this. The estimates for 1997-98 for the criminal law division are \$80.2 million. That reflects an increase of \$2.9 million over the estimates for last year. That includes some pension funding that was re-established, as well as some other business plan initiatives.

With respect to the salaries, the actual numbers — I can tell you that they're not reduced.

1740

**Hon Mr Harnick:** Salaries and wages: The estimates on page 71 indicate it is \$61.8918 million.

**Ms Karakatsanis:** Which represents a 0.4% increase over last year's.

**Ms Castrilli:** A 0.4% increase over last year, and how many crowns are we talking about?

**Ms Karakatsanis:** We have in addition, though, as the minister indicated, 13 new positions which would be filled as a result of new funding for domestic violence courts and illegal gaming.

**Ms Castrilli:** That's somewhere else or is that in these figures?

**Ms Karakatsanis:** That would be in addition to these figures.

**Ms Castrilli:** Those are 30 positions?

**Hon Mr Harnick:** No, 13.

**Ms Castrilli:** Oh, those are the 13 we talked about.

Well, you see the concern. It doesn't look like there's a whole lot of money there to fix what is a very huge problem. It's an issue that I don't want to beat to death, but it's an issue we're all going to be held accountable for and we certainly are going to be watching to ensure that we don't go through blitz after blitz after blitz when what we really need is a systematic solution to this problem every day of the year.

**Hon Mr Harnick:** There's no question that in terms of the way our criminal justice system works — and I don't say this for political reasons, but if you go back to the days 1990 and previous, there was no system in place to case manage criminal cases going through the provincial court system. As a result, you got into the Askov situation that occurred in September or October 1990. Today we have that system that quite properly was begun by the last government as a result of the recommendations in the Martin report, and every day the system needs to be managed. Case management is something we can never let up on. The blitz has been very successful in reducing —

**Ms Castrilli:** We've had a number of them. That's exactly the concern.

**Hon Mr Harnick:** I haven't seen any that have had nearly the results this blitz has had. We're going to continue doing what we're doing in those six most heavily built-up or busiest areas. The other aspect is that as a result of input from Justice LeSage, we're going to start a process that will be known as the criminal justice review to take a look at some of the systemic problems within the criminal area that cause cases to be more complicated today, how best to deal with them, how to deal with some issues like experts' reports, how to deal with trials are taking so much longer today.

**Ms Castrilli:** I really regret we don't have a lot of time, and I pledge to you that next time I will be here for the entire session that's allotted to me. I imagine family support has been equitably canvassed by my colleagues. Let me just ask two questions which won't require, I hope, too lengthy an answer.

The first is legal aid. You know the memorandum of understanding expires next year. I wonder if you might comment briefly as to what the government's intentions are with respect to the future of legal aid.

Let me put both questions to you, because the Chair is going to say I'm out of time. The other issue is one that you know is near and dear to my heart, and that is the future of plea bargaining in this province and whether we're going to have any kind of guidelines.

**Hon Mr Harnick:** Let me deal with legal aid. As you're aware, Professor McCamus is preparing a report. That report will be made public I expect very shortly. After that report is made public, I will embark upon a period of consultation with those who need and depend on legal aid, those who are service providers, members of the judiciary and the different specialties where legal aid is used, for instance in family and criminal law, to get their reaction to the contents of the professor's report. We will then begin a process of discussions as to where we move in terms of looking at making changes to the Legal Aid Act, and to the structure of legal aid, if indeed that's what Professor McCamus is going to recommend.

**Ms Castrilli:** Are you leaning towards privatization?

**Hon Mr Harnick:** In terms of the way the work is done, it's done by the private bar and it's run by an independent body that has to be separate from government. Are we looking to farm it out to a corporation to run the legal aid plan? I don't think so. I don't think that's ever been contemplated. I don't know if anybody has even suggested that proposal to Professor McCamus, but we're awaiting his report.

**The Vice-Chair:** Thanks very much, Minister. We'll now return —

**Ms Castrilli:** Could you just answer the plea bargain for Harnsard?

**Hon Mr Harnick:** Plea negotiations are part of the criminal justice process. I don't know that there's anything sinister in plea negotiations. Plea negotiations are a reflection for the most part, I hope entirely, of counsels' review of their case and the need to see if there's an agreed-to solution. I suspect there's a recognition that no one's case is ever perfect.

**Ms Castrilli:** I understand the principle. My question is, are we going to get guidelines?

**The Vice-Chair:** We'll move to the third party now for their final 10 minutes.

**Ms Shelley Martel (Sudbury East):** Minister, is your driver's licence suspension enforcement tool up and running now?

**Hon Mr Harnick:** We canvassed that earlier.

**Ms Martel:** I wasn't here earlier.

**Hon Mr Harnick:** Well, you should have been.



**The Vice-Chair:** Could you answer her question, please?

**Ms Martel:** I'm sorry, I am also busy, Minister. I was in another committee so I'd appreciate an answer.

**The Vice-Chair:** Let's not exhaust time. Minister, she deserves an answer, in all fairness.

**Hon Mr Harnick:** No, she knows the answer to that.

**The Vice-Chair:** Please answer the question.

**Hon Mr Harnick:** She knows it is not up and running yet.

**Ms Martel:** I have a press release here dated May 9 in which you said, under your name, "The government will begin testing the suspension of defaulters' drivers' licences for full implementation of phase 2 of Bill 82. This phase will be proclaimed by September 1997."

That went out under your name. Can I ask why it's not up and running?

**Hon Mr Harnick:** The testing process has begun. That's something the ministry did in terms of evaluating cases and determining how cases would go through the process. There has been a considerable amount of time spent with that testing process. As you're aware, you can't test that process through the system and start advising people that their licences are going to be suspended until you proclaim the act, so we couldn't do that. But essentially the testing process has been ongoing.

**Ms Martel:** But Minister, the press release says it's going to be proclaimed by September 1997. If it wasn't going to be, why did you make that announcement on May 9?

**Hon Mr Harnick:** The press release says it's going to be proclaimed by September 1997?

**Ms Martel:** Yes.

**Hon Mr Harnick:** I hope it will be.

**Ms Martel:** Okay, we'll watch. You've got a couple of weeks more.

Can you tell the committee how much money has been collected in terms of arrears from any enforcement measure under Bill 82?

**Hon Mr Harnick:** I don't know that I can tell you that. I don't know that that record is available. I can tell you that we could fill the SkyDome about one and a half times with people reported to credit bureaus, people who have not paid their support or who are in arrears. Effectively, we're dealing with the issue of their ability to obtain credit. Hopefully that will have some effect, but I can't tell you the answer to that.

**Ms Martel:** That's one of the 10 tools you implemented under Bill 82. You will recall that we passed Bill 82 before Christmas because you needed it passed and you wanted it passed and we did short committee hearings to get that passed. It took until May before the bill was actually proclaimed and now we're in September. Of any of the 10, any of them, it doesn't matter which one, can you tell me how much money has come in from any of those 10 new enforcement tools you had to have by the end of December?

**Hon Mr Harnick:** No, I can't tell you that. Are you now, by the premise of your question, saying that I shouldn't have wanted to have those enforcement tools?

**Ms Martel:** No. I think that because of what happened at Downsview, you had to get the bill passed and you weren't ready.

**Hon Mr Harnick:** No, that's not —

**Ms Martel:** My next question would be, do you have all of the technology purchased now to put in place the new enforcement tools?

**Hon Mr Harnick:** Absolutely. We do.

**Ms Martel:** Do you have the staff trained?

**Hon Mr Harnick:** We do.

**Ms Martel:** So when is the money going to start coming in, if that's all in place?

**Hon Mr Harnick:** I don't know the answer to that. The experience has been that when drivers' licences were suspended in other provinces, a significant number of people came forward and money began flowing. We hope that will be the experience in Ontario. We may have known that if you had implemented this when you had the opportunity while you were in government, but you rejected this proposal.

1750

**Ms Martel:** Minister, we've been here nine months now. You were the one who sent out a press release under your name that said drivers' licences were going to be ready by September, not me. You did that. Here we are in September —

**Hon Mr Harnick:** It's September now.

**Ms Martel:** All right. You've got a couple of weeks.

**Hon Mr Harnick:** We'll see.

**Ms Martel:** We'll be asking the question again, I'm sure.

I'd like to know, and if you don't know the answer, I'd like for you to table it with this committee, whether from any of the 10 tools one cent has come into the family support plan.

**Hon Mr Harnick:** I don't believe we have any information that can provide us with that answer at this time.

**Ms Martel:** You're not monitoring how the new enforcement tools are working?

**Hon Mr Harnick:** When people start to send their money in, they don't say, "I'm sending in my money because you reported me to a credit bureau," so it's hard to be able to answer that question. It will be easier to do if we see money start to flow out of a licence suspension. We will be able to draw those conclusions. So far, based on the limited implementation to date, we have not been able to develop that information.

**Ms Martel:** Minister, you're the one who says there's \$1 billion in arrears owing, so I'm sure there's got to be some connection to the arrears and then those enforcement measures being applied to those cases that have arrears.

**Hon Mr Harnick:** I hope that over the next several years we'll see the \$1 billion either stop escalating and maybe even start reducing. I also hope that when we employ private sector collection agencies and some of the

other tools we will be able to start collecting moneys that we've never had an opportunity to collect before.

**Mr Kormos:** Does your reportage of defaulters to the Ministry of Transportation for the purpose of suspending drivers' licences include notification of insurers that their insured has had his or her driver's licence suspended?

**Hon Mr Harnick:** I don't know that it does. I'm not sure of that answer. I think that once your licence is suspended you're not allowed to drive, so the responsible person would cancel their insurance.

**Mr Kormos:** The responsible person wouldn't be in arrears.

**Hon Mr Harnick:** That's right, but I don't know that insurance is something we have an obligation to deal with.

**Ms Martel:** Do you have dedicated staff working on the Bill 82 implementation, and how many?

**Hon Mr Harnick:** We do, and Lynn Binette can tell you that.

**Ms Binette:** We have a combination of dedicated full-time staff working on it, as well as a large number of staff who work on it on a part-time basis.

**Ms Martel:** Can you tell me of the dedicated full-time staff what the number would be out of the 274 permanent staff you have? Is that a fair question?

**Ms Binette:** Most of our full-time program staff are above that 274. We have probably five or six staff who are working full-time beyond that 274. At least 10 to 15 of our permanent staff are working on a part-time basis. Sometimes that might be a whole week they devote to it, depending upon the task. Other times it might be a few hours a week.

**Ms Martel:** If you have any other changes, can you table those with the committee? I'd appreciate that.

**Ms Binette:** I'll check on those numbers.

**Ms Martel:** Thank you.

Minister, can I ask you about the bail verification and supervision program, please. You reinstated some of these programs in southern Ontario, but not one in the Sault, Sudbury or Thunder Bay were reinstated. Can I ask what criteria you used to reinstate these programs?

**Hon Mr Harnick:** You should appreciate that the bail verification program was not a program run by the Ministry of the Attorney General. Decisions had been made with respect to the bail verification program that caused, over a period of time, some of the areas to have their programs stop running. I personally felt very strongly that the bail verification program was a positive program. I wanted to try to keep that program alive, and I was given authorization to do that and funding to continue the locations that were still open.

As a result of that, we are now re-evaluating the whole program. Unfortunately, even though the program has been running since the late 1970s, I believe, no data have been kept that told us how effective the program really was. I believe it was effective, but I certainly can't point to any statistics to tell me how effective it was.

We are now embarking upon a study that will compare locations where programs have closed and programs have

been kept open so we can retool the bail verification project, assuming I can prove it has positive benefits.

**Ms Martel:** Minister, I was given the understanding —

**Hon Mr Harnick:** Do you want me to finish?

**Ms Martel:** No. I just want to ask some questions about Sudbury, because I'm really concerned about Sudbury.

**The Vice-Chair:** This will be your final question, as well, Ms Martel.

**Ms Martel:** I understood that Waterloo was closed, the program was closed.

**Hon Mr Harnick:** My understanding is — and I don't know how contemporaneous it was from the date it closed to the date we indicated or that I was able to get funding to keep existing programs going — but certainly we didn't take a look and say we're going to close up all the ones in northern Ontario and keep the ones in southern Ontario going. That wasn't the case.

I was pretty intent on trying to save this program generally and to do an evaluation of it so that we can run a bail program, if I can prove that this is an effective program.

**Ms Martel:** You understand that's what the perception was, though, Minister.

**Hon Mr Harnick:** I understand that.

**Ms Martel:** The information I got was that Waterloo was closed too, so it was given funding and reopened. The Sudbury program and the others were closed but were not given funding, so that's a problem.

Second, I've been trying for some time now to get some information from Elizabeth Gerrits about what process she's going to undertake, because she has to give recommendations back to you by January. Two calls were placed to her and then Carrie Fine from your office called and said she would get back to us about some information, because the people in Sudbury want to be able to participate. That was September 3, so I would really appreciate some kind of return phone call.

**Hon Mr Harnick:** It was at the end of last week that your calls came and we —

**Ms Martel:** No. The first calls started August 12.

**Hon Mr Harnick:** September 3 was last week. But I agree with you. I suppose I could have not gotten involved and seen the program die, but I'm trying to keep the program alive. I'm trying to evaluate how it can be run in a cost-effective way and have a positive impact on the justice system.

**Ms Martel:** I'd like to keep it alive in northern Ontario too, not just in southern Ontario.

**Hon Mr Harnick:** Any help you can provide in the study we're undertaking, I'd be grateful.

**The Vice-Chair:** Thank you, Ms Martel. Minister, thank you very much.

We'll now move to the vote for the estimates, the Ministry of the Attorney General.

Shall vote 301 through and including 305 carry? All in favour? All opposed? Okay.



Shall the estimates of the Ministry of the Attorney General carry? All in favour? Opposed? Okay.

**Mr Kormos:** Recorded vote, please.

**The Vice-Chair:** Shall I report the estimates of the Ministry of the Attorney General to the House?

**Ayes**

Beaubien, Doyle, Grandmaître, Pettit, Wettlaufer.

**Nays**

Cleary, Kormos.

**The Vice-Chair:** Carried.

In conclusion, I'd like to thank everyone for their diligence, patience and understanding. Minister and staff, thank you very much. As always, the Legislative Assembly staff deserves a great deal of credit for the hard work they do: Rosemarie Singh, Alison Drummond and Maureen Murphy. Thanks very much. We stand adjourned.

*The committee adjourned at 1758.*











## CONTENTS

Tuesday 9 September 1997

**Ministry of the Attorney General..... E-1037**

Hon Charles Harnick, minister  
Ms Susan Himel, assistant Deputy Attorney General, social justice services  
Ms Andromache Karakatsanis, assistant Deputy Attorney General,  
Ontario Native Affairs Secretariat  
Mr Graham Reynolds, assistant Deputy Attorney General, criminal law  
Ms Lynn Binette, director, Family Responsibility Office

### STANDING COMMITTEE ON ESTIMATES

#### **Chair / Président**

Mr Gerard Kennedy (York South / -Sud L)

#### **Vice-Chair / Vice-Président**

Mr Rick Bartolucci (Sudbury L)

Mr Rick Bartolucci (Sudbury L)

Mr Marcel Beaubien (Lambton PC)

Mr Gilles Bisson (Cochrane South / -Sud ND)

Mr Michael A. Brown (Algoma-Manitoulin L)

Mr John C. Cleary (Cornwall L)

Mr Ed Doyle (Wentworth East / -Est PC)

Mr Bill Grimmitt (Muskoka-Georgian Bay / Muskoka-Baie-Georgienne PC)

Mr Morley Kells (Etobicoke-Lakeshore PC)

Mr Gerard Kennedy (York South / -Sud L)

Ms Frances Lankin (Beaches-Woodbine ND)

Mr Trevor Pettit (Hamilton Mountain PC)

Mr Frank Sheehan (Lincoln PC)

Mr Bill Vankoughnet (Frontenac-Addington PC)

Mr Wayne Wettlaufer (Kitchener PC)

#### **Substitutions / Membres remplaçants**

Mr Peter Kormos (Welland-Thorold ND)

#### **Also taking part / Autres participants et participantes**

Ms Annamarie Castrilli (Downsview L)

Ms Shelley Martel (Sudbury East / -Est ND)

#### **Clerk / Greffière**

Ms Rosemarie Singh

#### **Staff / Personnel**

Ms Alison Drummond, research officer, Legislative Research Service



**Legislative Assembly  
of Ontario**

First Session, 36<sup>th</sup> Parliament

**Assemblée législative  
de l'Ontario**

Première session, 36<sup>e</sup> législature

**Official Report  
of Debates  
(Hansard)**

**Wednesday 10 September 1997**

**Journal  
des débats  
(Hansard)**

**Mercredi 10 septembre 1997**

**Standing committee on  
estimates**

Ministry of  
Intergovernmental Affairs

**Comité permanent des  
budgets des dépenses**

Ministère des Affaires  
intergouvernementales



Chair: Gerard Kennedy  
Clerk: Rosemarie Singh

Président : Gerard Kennedy  
Greffière : Rosemarie Singh



### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Wednesday 10 September 1997

Mercredi 10 septembre 1997

*The committee met at 1541 in committee room 2.*MINISTRY OF  
INTERGOVERNMENTAL AFFAIRS

**The Chair (Mr Gerard Kennedy):** We will commence. I ask the members to allow the meeting to come to order. I'd like to welcome the Minister of Intergovernmental Affairs to the estimates committee. It's good to see you. We will commence with a 30-minute period for the minister to make her statement, followed by statements from each of the opposition parties, first from the Liberal party, followed by the New Democratic Party, and then 30 minutes for the minister to respond to the wisdom she has heard or otherwise. I would ask the minister to commence.

**Hon Dianne Cunningham (Minister of Intergovernmental Affairs, minister responsible for women's issues):** Thank you, Mr Chairman. It's a pleasure to be here.

**Mr Bud Wildman (Algoma):** Isn't there somewhere you'd rather be?

**Hon Mrs Cunningham:** I think you and I would both rather be here today than where maybe you ought to have been, or whatever. It's good to see some of my colleagues here.

**Mr John C. Cleary (Cornwall):** Excuse me. Do we have copies of what you are going to present?

**Hon Mrs Cunningham:** Would it be appropriate if we hand them out after I make the address? What is the usual approach?

**The Chair:** I think that's at your discretion, Minister. We'll leave that up to you.

**Hon Mrs Cunningham:** That's fine. Would you like one now?

**Mr Trevor Pettit (Hamilton Mountain):** Normally they're handed out before.

**Hon Mrs Cunningham:** I was just trying to capture everyone's attention.

We've handed out the remarks, so that might make it more efficient. It's a pleasure to be here before the standing committee to present the estimates of the Ministry of Intergovernmental Affairs. I've held this portfolio since June 1995, and prior to my appointment it would have been the last two premiers who held this portfolio. But because of the importance our government places on intergovernmental issues, the Premier chose to appoint a minister to the position. It has allowed both the Premier and

myself to devote considerable effort to the extensive files throughout our government.

I intend to use this opportunity to provide an overview of the ministry's vision, key strategies and core businesses. I also want to discuss Ontario's objectives and goals in the conduct of its relations with the federal government and other provinces and territories. I want to explain how Ontario has gone about achieving those objectives as well.

The vision of the Ministry of Intergovernmental Affairs is that Ontario will continue to play a leading role in preserving national unity and advancing the federation within the context of promoting a strong and prosperous Ontario. This has been the objective of the Ministry of Intergovernmental Affairs throughout this province for a very long period of time.

Our mission is to ensure that the government of Ontario is equipped to contribute constructively and effectively to strengthening the Canadian federation. We assist the government in the conduct of its intergovernmental and federal-provincial relations to advance the government's priorities and protect the interests of Ontarians. Moreover, strategic advice from the Ministry of Intergovernmental Affairs supports and advances the government's priorities of encouraging economic growth and improving the efficiency and accountability of government. This includes ensuring that the federal government, in its dealings with Ontario, provides the same equitable treatment to Ontarians as to other Canadians.

The ministry is collaborating with federal and other provincial and territorial governments to rebalance and renew the federation by clarifying which order of government is best suited to deliver programs. We are identifying ways to create a more efficient and effective federation. Our goal is to identify and develop new ways to strengthen the Canadian federation through practical, commonsense changes that benefit Ontarians in their everyday lives.

The ministry's core business is to provide strategic policy advice to the Premier, the minister, the cabinet and our caucus colleagues on national unity, on other major intergovernmental issues and federal-provincial relations.

Our principal functions are as follows: developing corporate strategies, providing advice and gathering information to help the government effectively conduct Ontario's relations with the federal government and improve partnerships among provinces and territories; working with other governments to create a more efficient and effective



this amount and the Ontario government is hard-pressed to make up the shortfall.

The amounts of federal money denied to Ontarians in funding for the CHST and job training are considerable. But just as important as the money is the principle of fairness in this country. If the principles underlying our sharing arrangements are undermined, we ask ourselves: Don't we risk undermining public support for the system itself and for the country?

We support the principle of equalization — the traditional means for helping the poorer provinces. The federal government's equalization program provides funds to seven of the provinces to allow them to offer services "reasonably comparable" — those are words from the Constitution — to those enjoyed by people in a wealthier province like Ontario. Our point is that federal programs outside of the equalization program should treat all provinces equitably. Let me be very clear on this point: Ontario's support for the principle of equalization is not in question. But let's also preserve the principle of equity in other federal programs.

#### 1600

By being scrupulously open about our financial arrangements, fair in our dealings with all Canadians and generous in our willingness to help each other we can strengthen our country and ensure our future together.

Rebalancing the social union: Efforts over the past two years to rethink federal and provincial roles and responsibilities in the area of social policy have been led by premiers. I'll give you a little history here.

At the 1995 annual premiers' conference, premiers agreed on the need to improve federal-provincial cooperation in managing social policy programs, and also agreed on the need for provinces to take a leadership role with respect to national matters within areas of provincial jurisdiction. To this end, they established the Ministerial Council on Social Policy Reform and Renewal and directed it to explore ways to reform social policy. In December 1995, this ministerial council issued a consensus report representing nine provincial governments. Quebec did not participate on the council.

Premiers discussed the report at the first ministers' conference in June 1996. Progress was made on one proposal in the report: the establishment of a national child benefit, an idea which originated at the provincial level. Aside from this, however, the federal government did not actively engage the proposals made in the report.

At the 1996 annual premiers' conference, premiers continued their discussion of these issues and released an issues paper entitled *Social Policy Reform and Renewal: Next Steps*. From Ontario's perspective, the most important recommendations were as follows:

The need to develop mechanisms to reform the management of the social union in Canada, including a federal-provincial review of new approaches to the use of the federal spending power; the need to develop a joint federal-provincial administrative mechanism for interpreting the Canada Health Act; and a reform of fiscal federalism.

Ontario's focus, coming out of the 1996 APC, was to lead the development of a joint provincial paper on options for reforming and strengthening the social union. In a moment I will come back to look more closely at this paper, which was endorsed and released by premiers at their meeting last month in St Andrews, New Brunswick.

Outcomes of the 1997 APC: Ontario's commitment to engaging in a process of discussion and negotiation with the federal government is absolutely solid. Over the past two years, Premier Harris has played a leadership role in the area of rethinking how the federation operates, with a special emphasis on social policy.

At the 1997 annual premiers' conference in St Andrews, New Brunswick, all premiers agreed that we need to negotiate a framework agreement with the federal government on how social policy responsibilities could be clarified. The objective is to get the federal government and the provinces working together cooperatively on these important questions.

As a result of our leadership in the development of the options paper on the new social union:

(1) Premiers agreed that the Council on Social Policy Renewal and Reform should negotiate with the federal government a broad framework agreement on the social union to address issues such as common principles, the use of federal spending power and new ways to manage and resolve disagreements.

(2) Premiers agreed that interprovincial/-territorial cooperation and leadership in social policy renewal should be continued by developing a broad provincial/territorial framework agreement to guide national social policy renewal. Areas to be examined are mobility, portability, comparability, common principles, outcome goals and processes for resolving disagreements, with specific agreements in priority areas within sectors such as education or health.

(3) Premiers also agreed that finance ministers should negotiate ways in which provinces and the federal government can work more cooperatively on how Ottawa spends on social policy. Finance ministers have been directed to begin early negotiations with the federal government on renewing Canada's existing financial arrangements in parallel with federal-provincial discussions on the social union.

(4) Premiers recognized that coordinating the redesign of financial arrangements with social policy renewal will require addressing provincial differences in the ability to raise revenues and ensure that individuals are treated as fairly as possible no matter where they reside in Canada.

(5) Finally, premiers decided that the interprovincial Council on Social Policy Renewal and Reform should provide a status report on progress in this work by January 1998, and that negotiations with the federal government should be completed by August 1998.

Another major outcome of the APC was progress on internal trade issues. Breaking down internal trade barriers is another priority of this government.

Premiers agreed to work on expanding the existing agreement on internal trade. Ministers are to finish the

chapter on energy and bring the non-provincial public sector, known as MASH, into the provisions governing open tendering on procurement. They also directed ministers to clarify and improve the agreement's code of conduct on incentives. We hope this will lead to the end of location incentives and "job poaching." I see Mr Wildman smiling and saying, "Good luck." We can talk about this as well.

Overall, the 1997 premiers' conference was a major success for Ontario because we achieved a solid provincial consensus on practical steps to create a more efficient and effective federation. The work first undertaken in 1995 has been successfully advanced.

Of course, further progress now depends on the federal government's willingness to engage in meaningful discussions and negotiations with provinces on social policy renewal and the financial arrangements that underpin social programs.

These initiatives and negotiations are vitally important, in Ontario's view, because their successful outcome could have lasting effects on national unity. At the premiers' conference, Premier Harris said that 80% of the solution to national unity is in this work to renew the federation. This government has always believed that the best way to solve the unity problem is to make practical, step-by-step changes to improve the way the federation works.

The national unity meeting, which we're all reading so much about in the media: The other 20% of the solution is also being tackled by premiers. I'd like to talk a little bit about national unity and the meeting that premiers and territorial leaders will hold in Calgary on September 14 and 15. At the annual premiers' conference in August it was agreed that premiers would meet again at some time in the fall to take stock of the national unity issue and explore how we might move forward from here.

As Premier McKenna noted at that time, the purpose of the meeting was not to talk about substantive initiatives and proposals for change. Rather, the meeting is intended as an opportunity to exchange information and look at ways that Canadians might be engaged in a discussion of Canada's future.

Ontario's ultimate goal is for Canada to remain united. The government is pursuing some constructive ways to work with Ontarians and other governments in achieving this goal. We are open to hearing the views of others about how best to consult with Ontarians. Indeed, we have been consulting with the offices of the leaders of the opposition parties about how best to proceed in this matter. I believe the Premier is meeting with his colleagues at this very moment.

The Ontario government is committed to ensuring that discussion on these issues is open and inclusive. We will continue to invite input from Ontarians on this and other important issues.

Our priority at this time is to find ways to clarify the roles and responsibilities of the federal and provincial governments. We believe that achieving some successes in this area is an important first step in strengthening the federation.

In conclusion, I am personally optimistic about Canada's future. My experience with colleagues from across the country in the past, over the last two years and at the present time has bolstered my optimism. I think Ontario is fulfilling its role in Canada in providing leadership by working with other governments to make practical improvements to our federation and to ensure that all Canadians are treated equitably. If we tackle these challenges together, I am convinced that Canada will be in the forefront of successful nations in the 21st century. Thank you.

Mr Chairman, I neglected to introduce our deputy minister, Judith Wolfson, and my EA, Paul-Emile Cloutier, who is dropping cups and serving coffee.

**Mr Wildman:** He's in his cups.

**1610**

**The Chair:** I think we'll take this opportunity in the next segment to introduce the members of the committee. We have with us today some substitutions but we'll go around the table: Mr John Cleary from Cornwall; Mr Jean-Marc Lalonde from Prescott and Russell; Mr Bud Wildman from Algoma substituting; Mr Wayne Wettlaufer from Kitchener; Mr Bill Vankoughnet from Frontenac-Addington; I believe we have Mr Peter Preston from Brant-Haldimand; we have Mr Ed Doyle from Wentworth East; Mr Trevor Pettit from Hamilton Mountain; and Mr Frank Sheehan from Lincoln.

We have supporting the committees activity today Rosemarie Singh as the clerk; Maureen Murphy from Hansard; and Anne Marzalik as researcher to the committee. Ministers, you're aware that this is an opportunity to hear from the other parties in response to your views. First Mr Lalonde for the Liberal Party.

**Mr Jean-Marc Lalonde (Prescott and Russell):** Thank you very much, Mr Chair. I am delighted to be here this afternoon to come up with some questions to the minister, because part of her mandate or responsibility falls right in my sector, which I have worked so hard on: the mobility of construction workers. Most of the period of the time I have worked with Minister Witmer, who has done a super job on this project. But ever since the agreement was signed, I believe it was December 5 or 6 — just prior to my going to some of the questions, you mentioned in your statement that you have an office in Quebec. Whereabouts in Quebec is it?

**Hon Mrs Cunningham:** It's in Quebec City, downtown, a very small office.

**Mr Lalonde:** How many people do you have?

**Hon Mrs Cunningham:** One person or two. One and a half or two.

*Interjection.*

**Mr Lalonde:** Two. They must have been very busy for a while. I know we have been dealing with Quebec for over 25 years on some issues, especially the construction issue, which has been a problem for probably the last 25 to 30 years. I don't think it has been resolved as yet, even though on page 14 of your statement you mention, "Premiers agreed to work on expanding the existing agreement on internal trade," and then on the fourth line you say, "...open tendering on procurement."



Just before I go to all my other questions, I wonder if the Quebec government has amended the standard procedure that an architect has to use whenever they design or prepare the plans and specs, if they are still using the same document. In this document it's spelled out very clearly that you have to have an office in Quebec. This was given to me just last week. Is it there or has it been amended to open up the tendering to Ontario contractors?

**Hon Mrs Cunningham:** As you mentioned in your opening remarks, this is the Minister of Labour's responsibility, but I can certainly get the answer to that question. I simply don't have it at this time, but I would be happy to talk to Minister Witmer. I thank you for your compliments. I'll extend those to her as well.

**Mr Lalonde:** I always feel that compliments should be given to wherever it is needed.

If this document is not amended we will not go anywhere, because at the present time we face an awful lot of problems. Contractors have decided not even to apply for work in Quebec ever since the last signing of the agreement. On February 14, 1997, we had a meeting in Quebec City. The Speaker of the House was there and also two other members from the PCs, two Liberals and one from the NDP, Floyd Laughren. Because the discussion had gone on on February 12, to which I was not invited, and I really have this dossier at heart, I asked that the ADM come back on Friday 14. I asked the ADM, Mr Jacques Henrie, if construction workers from Ontario will be allowed to go and work in Quebec. He was clear — there were probably 20 of us in there with six Parti québécois members and four Liberal members of the Quebec government — and he said, "Yes, without any problem, as long as they don't work on a site that is unionized."

To our surprise, in June they came back to the Hull area and the statement was completely the reverse: "We are not allowed to go into Quebec unless we join a union." It is clear. We are not allowed to go and work in Quebec if we don't join a union. Second, we are not allowed to work in Quebec if we don't have a competency card. In Ontario, only 10% of construction workers hold a competency card. So at that time, on February 14, the ADM Jacques Henrie said, "With a letter from the employer, that will be sufficient to be recognized to work in Quebec." It is not any more.

It's true the agreement states that an Ontario construction worker could work anywhere in Quebec. Resident Quebec construction workers are not allowed to work anywhere in Quebec, because they have regions to work in. If they don't have any work there, they just can't go and work. This is why there are 13,000 construction workers from Quebec working in Ontario, vis-à-vis 700 Ontarians working in Quebec.

The minister always came back with figures of 4,000 construction workers. After a lot of research we found out why she has 4,000 and I had 13,000. The survey was completed by the NCC in Ottawa, which has all the figures. My figures were even low. It's because the answer the Ontario Ministry of Labour got only got the figures of unionized construction workers from Quebec working in

Ontario. Those unionized were not counted, and I want to tell you, of those 13,000 employees who work in Ontario, I would say probably 80% to 85% cannot even work in Quebec.

I have pity for them. As you remember, we did block the bridges in Ottawa and twice in the last month they tried to block the Perley Bridge in Hawkesbury and I've been asking them not to do it. But it is just on the verge of exploding.

At the present time it's quiet. Ever since we got the agreement, which I have to get printed myself — we have only received four copies and I've got to distribute over 100 copies to different contractors in Ontario and in Quebec. Mind you, contractors in Quebec are not happy about the Quebec government and the restrictions they have because they see that the day we are going to prevent them from coming to Ontario, those people will be out of work. I keep telling them, "You will have 13,000 people only from the Outaouais area knocking on Premier Bouchard's door."

At this meeting we had in Hull in June there was a lawyer who owns a construction company — they are carpet layers — who states that there aren't any available in the Outaouais area on the Quebec side, so they were using the Ontario ones. They got caught immediately because our Ontario people were moving. To go a little further, now the truckers are getting stopped. They've been stopping them for years, but now they're really tough on Ontario truckers. First of all they're asking them where they bought their gas. They have to have a receipt that they bought the gas in Quebec and they have to fill out — first of all they have to get a permit to go into Quebec — a monthly report.

In Montreal in July there was a construction site of 50 workers. Four of them were from Ontario and had their competency cards to work there. They closed the site because we had four Ontario workers on that site. I don't think it is fair. I think the Ontario government has to deal with this matter and it is probably your ministry that would have to deal with this.

I dealt quite a few times with Mary Holdcroft in Ottawa. She's with the Ministry of Labour and Ministry of Education. She wears two hats. We've asked them to have our construction workers recognized so they could work in Quebec. So three brothers, the Loiseau brothers from Hawkesbury, decided to take a course in Ontario as plasterers. The three of them, on November 8, passed the exam and received their Ontario cards. They go across on November 9. They apply. They deposit \$100 each, because until the signing of the agreement, everybody had to pay \$100 each to be able to get a card in Quebec. A couple of months after, they received a letter in the mail. Their money was returned because, they said, according to the new agreement they didn't have to pay that.

**1620**

They worked in Quebec. On April 14, they received a letter in the mail, a \$250 fine each, the three of them, because they got caught working in Quebec on January 8, 1997, and didn't have their cards with them. They re-



ceived their cards, which they applied for on November 9, on January 9, but they got caught working on the site on January 8 so they were fined \$250 each. We are negotiating with Quebec at the present time to remove that fine, but it took quite a while, until April 14, to get this letter in the mail, and I don't know how far we are going to go.

We know that construction is controlled by the union in Quebec. I knew when I introduced my Bill 60 that all the unions were on my side because they could see at that time that I said any Quebec construction workers who want to work in Ontario have to meet the same criteria as Ontario workers have to meet when they go and work in Quebec. The reason they jumped on it immediately was they said in Quebec they have to join the union, so when they work in Ontario, they have to join the union. By doing this, they thought that all Ontario construction workers would have to join the union. Now, today we probably don't get the support from the union because the majority of Ontario construction contractors don't want the union, especially residential. Commercial construction is a little different. But it is just to tell you, Madam Minister, that at the present time it's far, far from clear.

We are facing problems. I have a backhoe operator who has a company in Ottawa, 25 years in business. He got a call to go and work in Hull for two weeks. He got over there; he had to apply for a card, a permit. They told him he had to pay. Also, the fact that he didn't have his card meant he could not operate the backhoe himself. He had to hire a Quebec employee and just sat next to the backhoe operator. As you know, the backhoe operator only has one spot on the backhoe. But he had to get a company because he did not have his card, and he's been in business for 25 years. This is the construction site.

We are facing a lot of problems. I know there's a meeting coming up. We are sending out at the present time — we started last week — around 400 and some letters of complaint that we received from contractors from Windsor, all over. As you know, Quebec construction people have moved into Windsor lately because there's a construction boom. I happened to find that out on television because they had a program on CBC interviewing the people in Windsor who came from Quebec. They'll go and work anywhere. I don't blame them, because they're not allowed to work in Quebec. They have to feed their children, they have to feed their families, so they come to Ontario. I wouldn't like to have the Ontario construction regulated like they have in Quebec.

Anyway, we are facing a lot of problems. I'll be sending this to the ministry and I think probably it should be sent both to your ministry and to the Minister of Labour.

We've asked that there could be probably three nights' training or exams given to our Ontario construction workers so they could become competency cardholders in Ontario, because there's no way the construction workers who have reached 50 or 60 years old are going to Quebec for a year or two to get their competency cards. They have been working at it for many years and I think the grandfather clause should be recognized in this case.

Now, my last point is the bus deregulation. I remember that I did oppose that. Again, this is an intergovernmental responsibility to a point. If you were to check here at Toronto, you would find out — I believe at that time there were probably four Ontario companies with 40 Quebec companies picking up passengers at the Pearson airport. We cannot get that at Mirabel airport, but they are able to come over here and pick up anybody they want. We have a lot of small bus operating businesses in Cornwall, in Hawkesbury, in the area. The Quebec buses have started to move into Ontario ever since we passed the deregulation. The federal government is trying to pressure Quebec into accepting that Ontario buses be enabled to pick up passengers in Quebec, but we can't yet. We have the door wide open in Ontario for the Quebec people, but the door is closed for Ontario people going to Quebec.

That would be my last point.

Just coming back, I think it's very important that those standards and procedures have to be revised, because the architects, when they prepare plans to go for tenders, those laws are always in there. Just don't try to put a quote on any hospital in Quebec at the present time because you are eliminated immediately. They cannot accept any tenders from Ontario when it comes time to replace drapes, carpets or doing renovations in hospitals and schools.

I'd just like to point out that one of the fellows who worked in Quebec got 24 days in jail. I don't know if you heard about it; I should have brought it over. I'll just explain how this thing happened. The guy was working for a cabinetmaker. He went to deliver the cabinet to the school that was under construction in Gatineau, Quebec. When he got in there, it was full of insulation on the floor, dirt, so he took a broom and swept this off to drop the cabinet. The guy did not have a competency card to use a broom.

This was a full page in the Ottawa Citizen at one time, and we got the court case and everything. He went back home and after a while he decided to go and work in Vancouver. He was living at his aunt's place. His aunt received a summons delivered by hand. She signed for it. She didn't open it because it was addressed to him. So three months after, he comes back to Orléans, Ontario. The police were at his door one morning. They picked him up. He had to spend 24 days in jail because he used a broom on a construction site in Quebec without having a competency card. We have all the documentation on that.

So I think we, the Ontario government, would have to deal a little better with the Quebec government and tell them if they don't open the door to Ontario construction workers, we will one day — the only way we could do it probably now is by coming down with a quota. We have 700 people working over there? We'll allow 700 to come and work in Ontario. It would be too bad for the family members who have to work to bring back the money to their families to make a living.

**The Chair:** Mr Cleary, do you have any additional comments to make?

**Mr Cleary:** Not at the moment.

**The Chair:** Okay, then we'll pass over to the New Democratic Party.

**Mr Wildman:** I understand the importance particularly to eastern Ontario, but also to the whole province, of the issues raised by my friend from Prescott and Russell. I won't be raising those issues, but I want to deal seriously with the presentation made by the minister and to raise a number of questions.

I want to preface this by saying that I appreciate the short discussions I've had with the minister and the offers of briefings. Unfortunately, when you have a small caucus, you wear a lot of hats, and we're rather busy. So I haven't been able to avail myself as yet of the detailed briefing, but I know that my leader was briefed and, as the minister indicated, along with the leader of the Liberal Party, he is meeting right now with the Premier. I appreciate that.

**1630**

I will make a couple of comments going through the minister's remarks and then I would like to deal specifically with the situation we face, as I see it, in this country. First, with all due respect to the minister, whom I've known for a long time, and we're good friends, you could look at the suggestions she makes in her second paragraph two ways. She suggests that prior to her appointment, premiers usually held this portfolio, and because of its importance, this government has chosen to appoint a separate minister. I understand the position Ms Cunningham is taking in that regard, but one could argue that perhaps if it were really as important as the Premier thinks, he might have retained the portfolio for himself and given Ms Cunningham one other senior portfolio in the cabinet.

I want to emphasize that we think this is a very important portfolio, and I know the minister believes that. It's a somewhat unique position in that around this place most of what we do is highly partisan. That's understandable and the way it should be. But in this particular portfolio we are dealing with not just the immediate political questions of the day in Ontario but indeed in some ways the very future of our country, which is not in a real sense a partisan issue but is something that we as Canadians are all concerned about. We may have differences among ourselves about how we should proceed to ensure the preservation of Confederation and the strengthening of the unity of the country, but we all agree that we must work together in a non-partisan way to present Ontario's position on the very important questions of the future of the country.

I note that on page 2 of the minister's remarks, one of the principle functions of the ministry is "providing strategic policy advice to the Premier, the minister and cabinet on maintaining a strong, united Canada," and the minister said in her remarks that she wanted to expand on how the ministry had been successful in doing that.

With respect, it's my view that we are at a very serious crossroads in the history of this country, that we are perhaps more disunited at this stage in this country than we have been for a long time. I sincerely regret that, and I'm certainly not blaming this minister or this government for that, but while it is true that the percentage who

answer the pollsters in favour of sovereignty when questioned in Quebec has dropped in recent months, the fact is that we almost lost the referendum. The vote was won by the federalist side by about 50,000 votes in the whole province. We have a very committed government in Quebec that is determined to hold an election leading into another referendum, and they are determined to win the referendum.

So this is a very serious and important issue and situation that we face, and all of the issues that the minister has raised in her opening remarks, as she said, impinge on the overall question of Canadian unity. But I'm concerned that the approach taken, practical steps to improving the working of the country, while I agree it is a good approach, may not be enough, that we may find ourselves again — frankly, I'm sure that we will find ourselves again in what some people regard as a constitutional quagmire. I don't see how we can avoid dealing with constitutional issues. I'm not suggesting the government is arguing that we should avoid it, but I'm not sure that it's only the 20% as opposed to the 80%, to use the minister's division.

I think that was borne out in the Premier's scrum today, because as far as I'm aware, in the scrum today the Premier indicated to members of the media and the press that there were going to be deadlines that the premiers, all of the provinces, and I guess the federal government — I'm not certain he said that, but that the premiers would have to meet. He pointed to the coming provincial general election in Quebec, which is likely to be in the spring of 1998, as the deadline for a framework to be worked out and presented to the Canadian public generally and the people of Quebec. I don't think I'm misinterpreting what the Premier said in his scrum prior to his meeting with the two opposition leaders today. That raises all sorts of questions.

The Premier indicated that he was seeking advice, as I know the minister has done, from the opposition parties about how we might consult in Ontario about Ontario's position vis-à-vis Quebec and vis-à-vis the federal government and the rest of the provinces. I understand that will be the subject of discussion among the three leaders this afternoon, as well as discussion about what is going to happen at the meeting in Calgary this weekend. But if I understand the Premier correctly that there are some deadlines, then we are into a constitutional process over the next few months. That raises all sorts of questions. It raises questions about Ontario's position.

As the minister knows, historically this province, as the largest province, the province that has 40% of the economy of the country and about a third of the population, has taken a leading role in questions around unity. Unfortunately that effort, important and significant as it has been, has not led to closure on this thought. There are some historians who would argue that there will never be closure, that the very essence of the history of Canada is this issue: the relationship between Quebec and the rest of the country, the relationship among the provinces vis-à-vis the federal system and their relationship with the federal



government. I suppose it could indeed be argued that that is what political history in this province is about — and not just in this province but in this country — and that unless one accepts those few historians who in the last 20 years have said that history is finished, if this country is not finished, it will be the continuing history of Canada, I suppose.

I know that is very frustrating for many people. Many people would like to say: "Okay, what are we going to do? Once and for all, let's settle this matter." I'm not sure that's possible, but that doesn't mean we shouldn't continue to strive.

1640

This raises serious questions. What is Ontario's position? What is Ontario going to consult with the people of this province about? What is the Premier going to be saying to the other premiers in Calgary? I understand the question of a framework is being developed, but that framework is going to have to deal with particular matters. They're going to have to deal with questions around the distinctiveness or uniqueness of Quebec and its culture, its system of law and its language.

I understand the political minefield that can be in other parts of this country. Considering the position taken by many Canadians and many Canadian political leaders about the equality of provinces, ignoring questions about whether PEI should be equal to Ontario in our Confederation — or Quebec or BC or Alberta — it raises a question about the long-standing demand of Quebec, of governments in Quebec of all political stripes, about a Constitutional veto when it comes to questions around the preservation of their language, culture and unique system of law.

If we argue the equality of all provinces, are we then saying all provinces should have a Constitutional veto if we accept that Quebec might? If we do that, are we putting the Constitution in a straitjacket to make it impossible for us ever to amend our Constitution, the fundamental law of the country? These are fundamental questions.

I am concerned that it appears the minister of justice in Ontario, the Attorney General, does not appear to be prepared at this point to intervene in the impending court case, the referral to the Supreme Court that the federal government has made. M. Dion and his federal colleagues have put basic questions before the court which are very serious questions about what might happen if there were a majority vote in a referendum in Quebec. To my knowledge this is the first time the largest province in this country, the province with the closest ties to Quebec socially and economically, has not intervened in such case to express its views to the court, to be of assistance to the court, in making fundamental decisions.

Surely this province has something to say about the questions that have been put before the court by the federal government, because they do not just affect Quebec and Quebec's relationship with the federal government, they affect the very future of Canada.

Are we intervening? If so, can you give us some indication of what our position might be on these fundamental

questions? What constitutes a majority vote, either way? What kinds of negotiation would accrue if there were a solid majority in favour of sovereignty in Quebec? What is Ontario's role in that? What is Ontario's view on the basic legal questions around the right to separate, the right to break up the country, not just in Canadian law, our Constitution, but in international law? That's a very serious question, and I put it forward seriously.

There's one other question I have. This weekend, going into Calgary, and frankly I say this with some considerable trepidation, it appears to me we're into a Meech process, or we perhaps run the risk of being into a Meech process again. Maybe that can't be avoided. But if it is, I hope we've learned something from the last one and from the Charlottetown process.

In that context I would like to know whether or not this is seen as a framework for dealing with these fundamental questions, whether this is seen as a Quebec round we are headed into, à la Meech, and then we are going to deal with other questions subsequently at some future point, because it is significant, I think, that aboriginal leaders have not been invited to participate in this discussion, if we're talking about a framework for constitutional renewal and something that might be presented to Quebec that frankly will give the Leader of the Opposition in Quebec and his party some response to the issues they've put before the country. Mr Johnson, I believe, thinks he must have something to say about what the rest of Canada is prepared to offer Quebec to have a chance of beating Mr Bouchard and the Parti québécois in the next provincial election campaign.

I know that sticks in the craw of some people: How on earth can one provincial general election have so much importance when the rest of us, as Canadians, don't have a vote? Well, that's the way it is. The question is, can we move beyond that so that we are having a true dialogue about the future of the country throughout Canada?

Having said that, I'd like to move to some of the other issues the minister has raised in her opening remarks. I would say, plus ça change, plus c'est la même chose, or in more colourful terms perhaps I should refer to Yogi Berra and say, "Déjà vu all over again." This is very familiar stuff. As the minister knows, a lot of what she says in her remarks could have been said by a minister in our government or, for that matter, a minister in the Peterson government. The issues are there and have been there for some time.

Questions the minister raises about equalization and fair treatment, equitable treatment by the federal government are significant, and I agree with her position, as I know she would say she agrees with the position our government took in the same area. As she said, these are issues that have been long-standing and have plagued governments for some time in Ontario.

The significant problems began under the Mulroney regime in terms of the cuts in percentage, beyond equalization. I agree with the minister that we support equalization, true equalization, so that provinces that are not as well off as the three that are called the have prov-



inces, Ontario, Alberta and BC, can provide services that are in some way comparable to the services provided in those more well-off provinces.

**1650**

The problem with the way the federal government is doing it, and it started particularly under Mulroney and has continued under the present government in Ottawa, is that they have decided to use other programs beyond equalization as a way of increasing support to have-not provinces, to the detriment of those have provinces. I again underline that I agree with the minister that we are in favour of equalization. That's one of the strengths of this country and has been. But as she says, by extending this to other programs such as UI and other social programs, the federal government runs the risk of undermining the support of those very programs here in Ontario and, I suppose, in Alberta and British Columbia.

I want to raise a particular problem I have with what I understand to be this government's approach with regard to developing a consensus among all the provinces around the future administration of social programs, health programs, transfer payments. I want to deal with it particularly as it relates to medicare. While we agree with the government's position that there must be a consensus reached among all of the provinces, and I think this will help with regard to Quebec, as the minister has said, if it is achievable, we must understand that we cannot be saying that provinces will deal with issues that are within their own jurisdiction without interference from the federal government if that means we are racing to the bottom in terms of those services.

If it's just going to make it easier for provincial governments to cut services, if it's going to mean we end and we risk national standards, then we don't support you. We must, in relation to medicare and other social programs, agree as Canadians on certain levels of service, certain levels of programs, certain funding, certain standards, which cannot be violated by changes at the provincial level.

I recognize and I accept the argument that if the federal government continues to cut transfer payments, they shouldn't have as much say, or it's going to be harder for them to have as much say, with regard to national standards, because he who pays the piper calls the tune, but we believe we must maintain national standards.

I will be raising, as we go through the estimates, questions around the child program that has been talked about by the premiers and other questions related to how we deal with matters such as those raised by my friend the member for Prescott and Russell, and questions around equalization. But I hope the minister will understand the reasons for my putting forward these questions on these issues. You can count on our support as members of the Legislative Assembly of Ontario, as representatives of our constituents in Ontario and as political leaders in this province and this country if your government intends to continue to take the kind of role Ontario has historically taken in this very difficult and complex process.

I believe Ontario has a unique position in terms of its relationships with Quebec, the federal government and other provinces, and we can use that for the benefit of all of us as Canadians to help to deal with serious questions, questions of interpretation, particularly between the western provinces like British Columbia, Alberta and others in the west, and the federal government and Quebec. But if we don't see that kind of leadership being taken, we will be doing everything we can to encourage the government to take that kind of approach.

There are fundamental questions that have to be answered. I don't anticipate or expect that the Premier at this stage of this process will have all the answers, but I do believe the Premier must, as the leader of Ontario and speaking for Ontario on these matters, take a leadership role. I don't think we can leave it to others, but I also believe that others will play an important role, whether it be Premier Klein of Alberta, Premier Romanow of Saskatchewan, Premier McKenna of New Brunswick and all the other premiers.

I think Ontario has an important role to play, both behind the scenes, which I anticipate the Premier is playing, and in public in terms of leading to some sort of consensus, if possible, within Ontario and then in dealing with the rest of the leaders of the country.

Sometimes this involves political risk. Some people might look at the recent history of Ontario politically in this province and say: "Maybe it's not a good idea to get too involved in some of these things. Look what happened to Mr Peterson. Look what happened to Mr Rae."

For all of their differences — I knew those two individuals quite well — I have tremendous respect for them and their predecessors, Messrs Davis and Robarts, for their efforts to try and develop a stronger Confederation and to bring all the diverse elements within this country together. I believe that the Premier, Mr Harris, would do well to learn from their mistakes but to take a similar leadership role.

**The Chair:** It is now time for the minister to give a response. Minister, you have up to 30 minutes for that response.

**Hon Mrs Cunningham:** First of all, to Mr Lalonde with regard to the agreement we have with Quebec that had been worked on for some amount of time by the former government, I'd just like to say I know that if Minister Witmer were here, she would say she appreciated the work of especially the members from Ottawa who were so concerned about their own constituents, but about the province at the same time. We were pleased to get that agreement. I will deliver the Hansard today, as you have said you will also, to Minister Witmer so that she can take some of your examples to her ministry and work in a timely way to be of some assistance.

**1700**

In that regard, we are monitoring the agreement and how it works. She and I actually had some discussions a couple of weeks ago, because one of your colleagues brought to her attention one of the challenges, and I think you've been most helpful in bringing more forward today.

I was not aware specifically of the particular document you're concerned about and I'll advise her that you talked at length today. If you could make sure she gets the Hansard, it's a good example of how this committee can probably push some of the agendas we're all interested in finding some conclusion to.

It will be an ongoing challenge. We're happy we made the progress we did, but you're right; we'll take a look at it.

*Interjection.*

**The Chair:** Sorry, Mr Lalonde, it's not yet time for questions.

**Hon Mrs Cunningham:** Boy, this is different than I remember it. I used to butt in and do other things.

**The Chair:** Tough Chair.

**Mr Wildman:** This is a tough Chair.

**The Chair:** Please continue.

**Hon Mrs Cunningham:** That's in response at least to the Liberal piece.

To Mr Wildman, who has in the past played and will in the future play, I'm sure, an important role in this challenge of national unity, and just to speak a little bit and with some sense of humour with regard to his first comments, I didn't want to be misleading in the use of our words, an "important portfolio." I suppose we knew when we became the government, and certainly the Premier advised us, that we were going to be have to focus on our own priorities and we knew that the public across the country was fed up with the constitutional failures of the past, and is at this very moment not excited about getting into any discussions of constitutional change, so we focused on an area that you yourself and the Liberals had focused on, and that's to make some changes in the way the federation works, to make it work better, rebalancing so that we can get it right.

In the end, what that really means is that our programs work better and that there's some accountability. If something isn't working in the area of training, if there are some programs at some community colleges funded by the federal government, we want to know what the objectives of the program are and specifically how many students were enrolled, how many completed the course and how many got jobs, those kinds of questions which I think we've been very negligent in asking over the years. There's always been lots for governments to do, but the timing for us in this portfolio was to focus on the day-to-day stuff and to make some progress.

The other piece was to ensure that the use of the federal spending power is not unilateral, to put it bluntly, but is consultative. This was going to take some trust, I think, with the federal government. We knew that all the provinces, and especially Quebec, were concerned about the rebalancing so that our social policies will be more effective and efficient, and that the federal spending power is one that can be used in the way it was intended, and that is that the provinces shouldn't be receiving phone calls — I know that's an exaggeration but I'm told by some ministers that's exactly what happened in the past — "This is how much money you're getting," as opposed to: "Let's

have a very serious discussion on how well programs are working, how we can improve the implementation together. Let's talk about whether the province can deliver them more effectively and efficiently, and more importantly, we understand you're concerned about the level of funding, or we think it could be funded in a different way and let's have some serious consultation."

That hasn't happened in the past. In fact, it was quite shocking to me, but in consultation with other ministers, meaning former premiers and some ministers who were involved in portfolios such as education and training, health and social services, I'm advised that this is not new, that this has been going on for some period of time, as Mr Wildman pointed out. So for the right mechanisms to be in place it's not an easy thing to talk words and then to move into the arena of provincial discussions so that we can support each other as provinces, because obviously many provinces had these kinds of complaints and were looking for some solutions. But none of them, as individual provinces and/or territories, had been particularly successful.

That was what was pointed out to us at our first premiers' meeting and at the annual premiers' conference. We decided at that conference to show the kind of leadership that was expected of Ontario. As a result of some 12 months of consultation with other ministers and the implementation of the social policy council, on which I represent Ontario, we were at least, at the end of the year, able to provide to the premiers a social policy document.

This year, and I'm very proud of this, we did have the lead; that doesn't mean to say that we had the leadership. But it was our responsibility to complete in a timely way, in time for this year's premiers' conference, a mechanism paper which provides some ideas about how we can work better together with the federal government, and for the first time to include, as a result of the premiers accepting that paper, the finance ministers as part of our consultations as we looked together for solutions.

I think the area of intergovernmental relations is extremely complicated and requires focused attention. I know I'll talk to this later, but Mr Wildman rightly pointed out that the Premier of Ontario in the past has shown tremendous leadership. I can assure you it's his intent not only to do so, as he has over the past two years, but not in a visible way, because mainly the premiers have been looking to make the federation work better. That's not always something that draws the attention of the media because it's hard work and it's day-to-day consultation with ministers with different sectoral responsibilities, health, social services and education and training, who have to make recommendations to this committee as to how we can work better across the country and therefore work in a united way with the federal government so that we're not being cherry-picked with regard to unfair treatment and we're getting some support here in Ontario from the other governments.

On the national unity front — we haven't addressed this one until this point; it is a matter of timeliness, Mr Wildman — in the last two years there has been a shyness, for want of a better word, to get into these kinds of discus-



sions because everybody, all governments of all political stripes across the country, but more important, individual members of legislative assemblies, knows the mood of the public. Their timidity about getting involved is because really we are so uncertain as to how best to send the message to Quebec that we are very proud to be a united Canada and we want them to remain in Canada.

You're correct when you say that we almost lost our country in October 1996. The one word that I never use, and I noticed you didn't want to use it either, was the word "blame," because in the past people did try their best across the country. It simply didn't work. This time we probably could have been more involved as other provinces and territories could be, but individual Canadians made their statements, and certainly leaders across the country, both political leaders and groups of business people and union leaders and groups in communities that are vocal in this regard, made very strong statements to the province of Quebec and to Quebecers. We were, I think, fortunate by a very small margin that we have this opportunity today. I think we should cherish it and be more careful in how we can move forward.

1710

We know one thing and that is the public doesn't like, in intergovernmental affairs language, executive federalism. They're not looking towards people making decisions for them about their country and their provinces behind closed doors. They don't want to be excluded and they don't want to wake up and be surprised. In both of the constitutional rounds of the past many of us, although we work together in a non-partisan way in our provinces, were surprised because we did entrust our premiers in those very sensitive negotiations to represent us as well as they could.

**Mr Wildman:** To be fair, Ontario did vote for the Charlottetown accord.

**Hon Mrs Cunningham:** Yes. Mr Wildman reminds me, and I am very proud to remind others, that Ontario did vote for Charlottetown.

**Mr Wildman:** It was close though.

**Hon Mrs Cunningham:** It was very close. We all sat in our television studios, behind those microphones that night, predicting what might happen, but not with a lot of confidence. We know that finding a process now is vital. Therefore, it has to be a process that everyone understands, a process that the people have had input to. It has to be open, it has to be non-partisan, it has to be consultative.

The focus of this meeting is intended in Calgary on the 14th and 15th to be a meeting to discuss processes. This is very difficult for ordinary Canadians to distinguish in talking about how you consult. To put it bluntly, the media won't be very happy about that because they have raised the expectations of these meetings, but so in my view have some of the people that will be attending. But the bottom line for them, I think the clear intention was that we had to get on with some discussions about the unity of the country and we have to work together, the premiers, and all of

us as elected officials and the public, to provide alternatives to Quebecers.

I was trying to write down some of Mr Wildman's words. He talked about time frames. I think that if most Ontarians had a choice on time frames, they probably wouldn't want to be discussing national unity now. We do have an opportunity with the upcoming Quebec election, which you mentioned, Bud, and we also therefore have a responsibility. That is, we would like, I think the premiers across this country would like and I think I can assure you that the federal government would like, to be talking to an elected government in Quebec that is interested in talking about the unity of the country and about what we're talking about, that is, how we can make federation work better; how we can talk about the federal spending power being more consultative and not unilateral; how we can discuss together mechanisms so we can have more successful discussions with the federal government, and therefore, more efficient and effective programs, real programs in health care and education for our constituents, for our citizens; and how at some time we can recognize the uniqueness of Quebec.

I think that Quebecers are very interested in the efficiency of the country. I'll just pass a personal observation, which may not be appropriate, but I'll take my chances. I think during both premiers' conferences, the representatives of the government in Quebec, Mr Parizeau but especially Mr Bouchard, had a very difficult time leaving those meetings. They themselves were keenly interested in the premiers talking about rebalancing and about the use of the federal spending power and about the fact that national standards in health care do not have to be federal standards made up by the federal government on their own and changed when they feel like it.

We've got so much to be proud of as Canadians, but the reason there's such tension, in my view, not only in Quebec but sometimes in other provinces, is because we're crying out for our country to work more effectively and efficiently, and the provinces, individually and collectively, and the territories and the aboriginal groups are saying to the federal government: "There's got to be a better way. We need to be heard and we want to work with you."

I very much appreciate the comments that you have made today. I wouldn't even say it's a relief, because I'm not a bit surprised to know that you'll be there working with us. The answers are not easy, the solutions are not easy, and we won't pretend to have them.

You will see a somewhat humbled group of premiers embarking on a path, a journey that hasn't been successful in the past. At this point it's non-constitutional, but very shortly, after a few meetings, I would say this first meeting should be talking about process. I guess, like the rest of you, we'll all wake up some time on Monday and find out what they really did talk about, because we haven't trusted the premiers with that responsibility.

With regard to fair treatment, I'll take a look at what I tried to say as I was making my presentation today, because we actually need the support of our opposition par-



ties in this regard. I would throw a challenge to our Liberal representatives — and I'll look at you, Mr Chair, because I think you could be helpful. You ask a lot of questions with regard to health care. I'm going to say this very carefully, because I actually think this is a very difficult area to understand some days.

It's not something we read about in the newspapers. Even though former governments, both Liberal and NDP, were concerned about where we fit with regard to getting our fair share, we have to be able to do a better job in influencing the federal government. This is a serious matter for the public of Ontario. As we struggle to make sure Ontarians get their fair share and they're not short-changed, we can talk about two areas. Job training is obvious. I will say that in the last budget — I think I'm right in this regard — the EI premiums were reduced by 10 cents. That's just the very beginning of what we expect from the federal government. If you think about us paying \$8 billion and getting \$4 billion back, we have a long way to go. I personally think our Liberal representatives here would probably be interested in getting a thorough briefing in this regard to see if they could be helpful.

1720

I know the Premier, after the last federal election, asked all of us as elected members to work with our federal counterparts to see if we could get some success here. I look at the unfortunate Chair of the committee sitting to the right of me here and say he's here to listen to me now. He's the Chair of the committee, and this is a committee that in the past has worked together to make change in a non-partisan way and we've sometimes had some good times doing it. But on this I think we would really like to work with whoever we can but especially here in this Legislative Assembly to see some fairness with regard to the job training, and obviously more on the CHST.

We don't get our fair share on the CHST. I said before that we got \$365 million less than we would have if the CHST funding was distributed on an equal per capita basis. I was very pleased to put forward my speaking points today so that you would have them in front of you when you are talking to your federal colleagues on this very non-partisan issue of equitable treatment, because this is an issue that was real for former governments. We just expect some serious consultation and any assistance we could get in having some success in this regard. Last year we were short some \$420 million and it's a big loss. I think it is the principle of fairness, and right now, on the CHST, there are only two other governments that are receiving less than their fair share, British Columbia and Alberta, but Ontario is by far the largest per capita loser in this regard.

I will say something else that may give you some clout in talking to your federal colleagues. We have had great success with the federal minister as we at the social policy council invited him to talk to us on the issue of a national child benefit. He was extremely helpful — that's Minister Pettigrew — and I'm hopeful that the new Minister of Health could do the same in this regard.

There are some more examples here. The ministerial council was charged with an important task, and I think that might be a difficult concept for those of you who haven't been involved. Usually the ministers of health get together with their federal colleague and they try to discuss issues that are important to them, and ministers of all of our ministries discuss with the federal ministers of the day what the issues are, whether it be policy or whether it be financial. Some of course are more successful than others, and we read about it from time to time.

The premiers at the 1995 APC decided that on the social policy area — actually non-social too, but we focused more on social policy — we weren't having success as provinces in getting equitable treatment, and that's why they said to each other — and at that time the chair of the premiers' conference was the Premier of Newfoundland. He basically came out and said, "We will appoint a minister to represent each province and work on the area of social policy renewal, looking at both efficiency and effectiveness."

Only four intergovernmental affairs ministers — Mr Wildman, if your analogy was true, there are only four intergovernmental affairs ministers, you and I are going to have to discuss what that means in the country and have some statements to make about that — and other ministers, it could be the health, social services or education and training minister, would represent different provinces and territories on this council. We wanted to speak with a common voice on essential elements with regard to the national debate on social policy reform. I think that probably will give you an idea of the importance of making some change.

I'm not sure if I should continue on in this regard, if it's helpful to Mr Wildman's concerns in answering some of his questions.

**Mr Wildman:** Specifically, I asked about the court case.

**Hon Mrs Cunningham:** With regard to the court case, I think the Attorney General is the person you could have some discussions with, but we've always stated that we're looking for some positive change. I'm trying to find something so I say to you exactly what I said to the media earlier today.

With regard to the intervention in the Supreme Court reference, we've always said we support changes to the federation that will make the country more effective and efficient and that are more responsible to the needs of our citizens and to the aspirations of all Canadians. We've focused on the practical changes to clarifying the federal-provincial roles and responsibilities, and it's an important first step.

We have agreed and decided not to get involved in the Supreme Court reference, and I underline, at this time. We can basically attribute that to our own strategy of being positive and I think, as I said in the very beginning, optimistic about our chances if we work well together with the other provinces in having some success in the rebalancing of the federation and sending that message to Quebec, that Canada, the premiers, are trying to work together to make

the federation work better. I think that basically is the reason that we stayed on our own strategy.

In closing, I would say that plan B, which we can get into further during these discussions and I'll leave it at this because I know Mr Wildman will be helpful in this regard, is basically the federal government strategy. We're proceeding with looking at mechanisms to make the country work better.

I think that would suffice, Mr Chairman, and thank you for warning me of the time.

**The Chair:** Thank you, Minister. You have been very precise in your time usage. We now have, as you realize, the balance of the time available for questions. We will proceed in the customary fashion, allowing 20 minutes to the representatives of each party to pose questions and receive responses. We'll begin with the representatives of the official opposition who have 20 minutes, commencing now. Mr Cleary, do you wish to start?

**Mr Cleary:** I want to thank Mr Lalonde and Mr Wildman for their comments. I know on many occasions I've had to talk to Mr Lalonde because he's one of the members of the Legislature who, being in a border community, shares our concerns.

In the past few years I've been in some very uncomfortable spots at construction sites where Quebec contractors moved in. Anyway, I had to end up there, not that I was in a position to assist them in many ways but at least I had to listen.

The other thing that was a big issue was the Quebec steamfitters and bricklayers who had moved in on many occasions and caused lots of problems for our local contractors and others. The other thing is that many of our contractors go to Quebec for their supplies. This fuel fill-up was a big issue and they were very upset. They were trying to do the job for the community as cheaply as possible and then had to have a receipt from another province, especially when the fuel was up to a dime a litre more expensive in that province.

Those are just some of the comments I wanted to make. It's a big issue for all parties of this House, and I think it's one where you have to put your political differences aside and work together, because it's a big problem to solve this along with the federal government. From there I'll pass to Mr Lalonde.

1730

**Mr Lalonde:** Minister, I don't know if you're aware, and probably you're not, of the way they operate when they come into Ontario. The Ontario government, through WCB, has paid over a period of time — I forget if it is two or three years; I have this in my office — for 5,017 cases of WCB claims, over \$50 million, to Quebec-address injured workers. What I'm getting at is that at the present time the Ontario government for the last I don't know how many years hasn't had the health and safety people onsite to supervise that.

In November 1995, the Ontario government came up with the regulation that any Quebec contractor coming into Ontario has to register with the Ontario ministry of revenue and they have to pay 4% of the total value of the

contract when they come and work in Ontario. Very few are doing it.

What we are doing is telling people all over Ontario, "If you see a contractor with a Quebec address, give us the name, and we will follow up." I could say the ministry of revenue has done some investigation, and they caught some of the people.

What they are doing at the present time is that when Ontario contracts have gone for tender, school boards especially in eastern Ontario, most of the contracts were given to Quebec contractors. We advised them that they have to register, then deposit 4% of the total value of the contract. This scared them in a way, because they don't want to pay. Most of the time they were not paying the taxes to Ontario.

"Contourner," we say in French. Instead of paying the taxes, they were ordering the material for a roof, for example, from Burlington, having it delivered to Quebec and then shipped back into Ontario. But now they don't even do that. They order the material from Burlington and deliver it directly to the Ontario site with a Quebec address, and they are excluded from the taxes. I think the Ontario government is losing a lot of money on this the way they operate, but the law is there, that they have to deposit the 4%, which does help the Ontario construction workers.

I encourage you, Madam Minister, to continue negotiating with the Quebec government. There is one clause that I would like to have in there. If the Quebec government is not ready to remove that clause on the first page, that the material has to be bought in the province of Quebec when you do some work in Quebec or you do some construction in Quebec, we should have the same clause for Ontario construction sites, that material has to be bought in Ontario to build in Ontario.

I was up in Cornwall, and there were three major construction sites in Cornwall. The contractors were all from Quebec. The material was coming in from Quebec. There was an industry right in Cornwall that could manufacture the materials that were going in for Canadian Tire and Domtar, but they were transported from Quebec into Ontario. They didn't want to buy in Ontario. Why? Because they were not paying the tax. I don't think it's fair. We are losing a great sum of money. It would pay the Ontario government to have health and safety inspectors, at which time they could report the people who are doing this.

The last point that I would have — well, I have a few. When this was issued last year, we were supposed to get the pocket-sized booklet. If you give this to anyone, I'm telling you it won't fit in their pocket. This is the English version, and the French version is the same size. It's not bilingual. Very few Ontario construction workers have it. I know the ministry was rushing to get that out. I forget the date that it came out. The Ministry of Labour staff had to work the whole weekend to put this out, but we are still waiting, since last December, to get a printed pocket-size copy of this Quebec-Ontario agreement.



I notice that you have a staff of 40 employees with a budget of \$4.5 million. On page 4, there was a one-time allocation for rental funds. What was this?

**Hon Mrs Cunningham:** Page 4?

**Mr Lalonde:** The fourth paragraph.

**Hon Mrs Cunningham:** Oh, yes. I see, the new allocation of \$436,000.

**Mr Lalonde:** It's a one-time allocation; I don't know if it's a new allocation.

**Hon Mrs Cunningham:** Do you want me to answer that?

**The Chair:** Yes, please.

**Hon Mrs Cunningham:** Okay. This is new across the government. The rent of the buildings and the space has now been — we have all as ministries been asked —

**Mr Lalonde:** Paid by every ministry?

**Hon Mrs Cunningham:** We each pay. This is ongoing. It's a matter of accountability. It's a matter of us knowing exactly how much money it takes to run our ministries. At the same time, Mr Lalonde, you have to have some sympathy for me because, with a very small budget, this is almost like a 10% addition to the cost. I moaned graciously, to put it mildly, but it is a responsibility that we all have to accept and we now know what our responsibilities are. That will be part of our base in the years to come.

**Mr Lalonde:** I have no more questions. I don't know, John, if you do.

**Mr Cleary:** No.

**Mr Lalonde:** Just keep on negotiating with Quebec before it's too late.

**Hon Mrs Cunningham:** I should put on record that obviously we're going to have your comments and we will be taking them to Minister Witmer. I'm not sure if it wouldn't be helpful if you could give us a copy of that agreement or make sure that she gets it, perhaps in the next couple of days when you see her.

**Mr Lalonde:** Which agreement?

**Hon Mrs Cunningham:** The one that you had in your hand when you talked about changing the first page.

**Mr Lalonde:** I only have the French copy of it.

**Hon Mrs Cunningham:** That's helpful as well.

**Mr Lalonde:** It was sent by an architect from Quebec. Up to last week, they were still using this. There was a clause that in every request for tendering they had to have an office in Quebec and also that the material has to be made in Quebec unless there was a difference in cost of 10%, and for this they have to get government approval to buy it outside of Quebec.

**Hon Mrs Cunningham:** I'm now familiar with what you're talking about and we do have a copy of that document. We'll make sure that we draw this to the attention of the minister, but I think it would be more appropriate for you to do it as well.

**Mr Lalonde:** Because you made the announcement a couple of weeks ago, last week or the week before, that we had agreed on the purchasing and also that our people could sell material to institutions in Quebec, like hospitals

and education. But if this is not changed, no one will follow the agreement that you have agreed upon.

**Hon Mrs Cunningham:** The Premier is extremely interested in the principle of reciprocity — I can't even say it right now. It's a long day. We're keen on this as a government, so this is something we'll monitor and make sure we have the support of both the province of Quebec and ourselves, because this was a very important agreement and one that set some precedent to provinces across the country. It's extremely important that it works and that it's there.

**Mr Lalonde:** I have another question that just came into my mind. Do you know when this dossier, this construction problem or file will be transferred to the Ministry of Education?

**Hon Mrs Cunningham:** I can't answer that question, but I can say "reciprocity."

1740

**Mr Lalonde:** It is definitely going there, I hope.

**The Chair:** It was with all confidence that you could say "reciprocity." It was an important term to bring up. It was I think the subject of an election in 1911, so it helps us understand the consequence of what we're talking about.

**Mr Lalonde:** At the present time we have to deal with the ministries of labour, education and intergovernmental affairs. We never know which one to go to.

**Hon Mrs Cunningham:** It is definitely the responsibility of the Minister of Labour. We coordinate a lot of ministries and I think we're helpful in making sure that we follow through on some of the issues that are brought to our attention. We give advice and assistance as required, but the end responsibility lies with the Minister of Labour in this regard.

**Mr Lalonde:** Thank you.

**The Chair:** Thank you, Mr Lalonde. We now turn to Mr Wildman.

**Mr Wildman:** Later on in the estimates I'll be, as I said earlier, raising questions along the lines of Mr Lalonde's concerns, but on page 3 of your prepared remarks you point out that staffing is down 39% from 1995-96. I wondered if that was because of what you say on page 5: "These three objectives," one of them being to strengthen national unity, "have inspired much of what we have worked for and accomplished since 1995." That is, if you've accomplished national unity, you don't need as much staffing?

**Hon Mrs Cunningham:** I just knew I'd get a question like that. It certainly adds a little bit of challenge and humour to the discussion. What I'm going to hand out, if this is appropriate, or at least show you right now, is the graph since 1987, Bud. There are two peaks here. One is Meech and the other is Charlottetown. Actually, since 1992 the budget and the number of staff have come down. But I appreciate your comments and I know where you're coming from.

**Mr Wildman:** Could you tell us what the actual dollar figure was of the budget in 1995-96?



**Hon Mrs Cunningham:** In 1995-96? Yes, I can if I can find the page. It's five something. It's \$5.7 million; \$5,758,408 exactly.

**Mr Wildman:** You've gone from \$5.7 million in 1995-96 to \$4.6 million in the current year.

**Hon Mrs Cunningham:** Yes. That's about a 19% decrease over two years.

**Mr Wildman:** I want to ask a couple of follow-up questions in relation to our exchange earlier. As you said, you expect what's likely to come out of the Calgary meeting is mainly going to deal with process. You stated that often people have difficulty in differentiating what is substance. You didn't use the word "substance," but I think that's what you meant, substance and process. I would like if you could for us differentiate what you mean. What do you mean by process or processes as opposed to substantive questions, whether they be constitutional or otherwise? What do you mean when you talk about process as something that is going to be the main subject in Calgary and what we will likely see come out of that discussion?

**Hon Mrs Cunningham:** In response, I'll speak for myself. I think one of the great challenges we've had is just how we do talk with our constituents about an issue that they don't really want to talk to us about. We may talk, and I think the premiers are interested in looking at maybe some kind of, I hate to use this word because it's used so extensively, framework or principles or guidelines, those kinds of words, for having some discussions. Actually, maybe you can talk to us a little about it in your next question because we now know that the public is interested in talking to politicians about a lot of issues but in different ways than in the past.

For instance, they don't mind these phone calls or the opportunity to talk to us by telephone. They like and use more technology, like the Internet. I'm sure all of you can tell me how you can talk to your constituents about things they don't like to talk about some days, in different ways across the province.

We may look at guidelines saying such things as we've said today, and you said yourself in your remarks to me that this traditionally has been a non-partisan process. That might be one of the first principles or guidelines. When you think of the premiers, they are of different political stripes, but they are putting the country first and working I think desperately to find some solutions.

They might say we have a time frame. You raised that, Bud. They have to be realistic about it. This is an opportunity, so they might say of the time frame, "We should try to finish our consultations." Some premiers will probably say, "Very quickly, because it's so painful," and others might say, "No matter what we do, we've got to have something to say to Quebec in the early new year or spring." They can take those choices. That's up to them as a group to make that decision.

They might say that if we're really interested in influencing the electorate in Quebec as to who they could choose, we know there is at least one person who will probably be in the running who isn't interested in the

future of the country, meaning Quebec being part of the country, and that is Mr Bouchard. Let's not beat around the bush.

**Mr Wildman:** He has said that even Canada is not a country.

**Hon Mrs Cunningham:** Exactly. So how do we talk to everybody else? Maybe they'll say that part of the consultations should include how all provinces are treated in Canada. They might just say, "Some of us do well here, but Quebec has done well there." I don't know. Actually, if anybody here has any ideas for the Premier, he doesn't leave until the weekend, so make sure you get them to him, with regard to the discussions. You can probably provide me with some other ideas, but that's my idea of guidelines around discussions.

I'll make it very clear that the purpose of the meeting, as the premiers discussed in New Brunswick, was not to discuss the substantive issues or proposals for change that you yourself referred to, some of those ideas and how you distinguish. It takes people who have been involved in the past to understand the small differences, that those kinds of differences can add to the success or the failure, of what we're trying to achieve.

**Mr Wildman:** I appreciate your comments. To be fair, I don't claim to be an expert in these areas. I've been involved in these discussions substantially over the years. I participated as an observer, at the request of Premier Davis, in meetings that were chaired by Prime Minister Trudeau, so it goes back for me, just as, for that matter Mr Eves and Mr Sterling participated along with Mr Beer of the Liberal Party as observers and gave their opinions and views during the most recent process.

I am keenly interested in this. I would say in the few minutes we have left that I really think it's important the Premier make a statement, preferably two statements, one before the meeting in Calgary and one after to report to the House and to the people of this province what he anticipates, perhaps to bring down some of those expectations you talk about, and what then happens. I really think that's important, because if we are going to build a consensus in the province, it's important people start to come to grips with some of the things you've talked about so that they can understand what's going on. I really do think it's important that he bring forward what he anticipates is going to happen and then give us some idea of what indeed did occur afterwards, what his views are and what processes he's interested in proceeding with in Ontario.

**1750**

Perhaps it would be useful if I could put on the record a couple of things I'm concerned about, and then at another time after my colleagues in the Conservative Party have raised their questions, the minister could come back to some of these things.

I understand the problem with starting a sentence with "if" in these matters, but if we do end up at some point in the next couple of years where there has been some accommodation around questions that are constitutional, as well as questions that are practical operational questions for the federation, is it the position of this government that

any constitutional matters must be subject to a referendum in Ontario?

I have participated in another committee of this House where we discussed the white paper from the Premier about referenda, in which he posited the view that all questions constitutional, as well as questions related to taxation, should be subject to referendum. That of course is very significant considering the results of the last go-round, and we do know that as a matter of law British Columbia and Alberta must hold referenda on any constitutional matter. So I raise that question.

I also want to put forward a concern I have about perceptions within this province and of this province in Quebec. I think one of the strengths we've had in these discussions, particularly with péquiste governments but certainly also with Liberal governments in Quebec, is the fact that we do indeed have Bill 8 in this province, that we are committed to providing services to francophones in this province as a matter of law — when one considers the sign law in Quebec, for instance.

I am concerned when we run into things that appear to be quite small here, but which are inevitably blown up in the Montreal press, in the Quebec press, things like the failure to translate the rules of the House, and other issues like a possibility that the only French hospital would close in this province at a time when there are arguments about whether the many English hospitals in Montreal might face questions of closure, and questions around the desire on the part of our party, for instance, that we pass an amendment to the Provincial Offences Act bill, which is before the House, to ensure that if those court services are to be downloaded to municipalities which are not subject to Bill 8, despite what people in Sault Ste Marie and other communities thought a few years ago, an amendment be

passed to ensure those services will be available to francophones in the designated areas, that is, with 10% francophone population, that they will be able to get their court services in their own native language, in their native tongue.

If we make the mistake of dealing with issues like those in this province and in this Legislature as if they are simply matters for Ontario politics, we harm our position in dealing with Quebec because inevitably the Quebec press latches on to these issues, and as we saw with regard to Montfort Hospital, political leaders in Quebec also do, and the Premier of Quebec lectured Ontario, I think is the best way to describe it.

I know there are people in Ontario who will say, "That's the pot calling the kettle black," but when one looks at the number of hospitals and educational institutions that are available to anglophones in Quebec, considering of course that they are a larger portion of the population in that province, there are a lot more than there are similar institutions for francophones in this province. I think it's important that we as an assembly, and the Conservative government, commit to ensuring that those services are preserved for the franco-Ontarien minority in this province.

**The Chair:** Thank you, Mr Wildman. We are about a minute away from the conclusion of the day, so I think we will wrap up and we will resume again next Tuesday here at 3:30. For the interest of the members, we have approximately 12 hours and 45 minutes of consideration. I would like to thank all the members who have spoken so far for their thoughtful contribution and I'm sure there will be much more ahead of us.

*The committee adjourned at 1757.*

## CONTENTS

Wednesday 10 September 1997

<b>Ministry of Intergovernmental Affairs</b> .....	E-1055
Hon Dianne Cunningham, minister	

### STANDING COMMITTEE ON ESTIMATES

#### **Chair / Président**

Mr Gerard Kennedy (York South / -Sud L)

#### **Vice-Chair / Vice-Président**

Mr Rick Bartolucci (Sudbury L)

Mr Rick Bartolucci (Sudbury L)

Mr Marcel Beaubien (Lambton PC)

Mr Gilles Bisson (Cochrane South / -Sud ND)

Mr Michael A. Brown (Algoma-Manitoulin L)

Mr John C. Cleary (Cornwall L)

Mr Ed Doyle (Wentworth East / -Est PC)

Mr Bill Grimmett (Muskoka-Georgian Bay / Muskoka-Baie-Georgienne PC)

Mr Morley Kells (Etobicoke-Lakeshore PC)

Mr Gerard Kennedy (York South / -Sud L)

Ms Frances Lankin (Beaches-Woodbine ND)

Mr Trevor Pettit (Hamilton Mountain PC)

Mr Frank Sheehan (Lincoln PC)

Mr Bill Vankoughnet (Frontenac-Addington PC)

Mr Wayne Wettlaufer (Kitchener PC)

#### **Substitutions / Membres remplaçants**

Mr Bud Wildman (Algoma ND)

Mr Peter L. Preston (Brant-Haldimand PC)

#### **Also taking part / Autres participants et participantes**

Mr Jean-Marc Lalonde (Prescott and Russell / Prescott et Russell L)

#### **Clerk / Greffière**

Ms Rosemarie Singh

#### **Staff / Personnel**

Ms Anne Marzalik, research officer, Legislative Research Service





## Legislative Assembly of Ontario

First Session, 36<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Première session, 36<sup>e</sup> législature

# Official Report of Debates (Hansard)

Tuesday 16 September 1997

# Journal des débats (Hansard)

Mardi 16 septembre 1997

**Standing committee on  
estimates**

Ministry of  
Intergovernmental Affairs

**Comité permanent des  
budgets des dépenses**

Ministère des Affaires  
intergouvernementales

### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Tuesday 16 September 1997

Mardi 16 septembre 1997

*The committee met at 1609 in committee room 2.*MINISTRY OF  
INTERGOVERNMENTAL AFFAIRS

**The Vice-Chair (Mr Rick Bartolucci):** Okay, folks, I think we can begin now. We'd like to welcome the minister. We'll start the 20-minute rotations with the government side.

**Mr Bud Wildman (Algoma):** So they have to spin for 20 minutes?

**The Vice-Chair:** You got it.

**Hon Dianne Cunningham (Minister of Intergovernmental Affairs, minister responsible for women's issues):** You did.

**The Vice-Chair:** You got it.

**Hon Mrs Cunningham:** You were more alive than I was, Wildman.

**The Vice-Chair:** Who's going? Mr Pettit?

**Mr Trevor Pettit (Hamilton Mountain):** Are we ready, Minister?

**The Vice-Chair:** We're waiting and the minister's ready, yes.

**Mr Pettit:** We'll have to sort of reflect back a little bit to last week. The minister indicated last week how we're facing a number of intergovernmental challenges. It would seem to me that there's solid progress that needs to be made in areas like internal trade, fiscal reform and the employment insurance industry. So with that in mind, do you give social policy reform a higher priority than the three I mentioned? Why does the social policy seem to be at the top of the list for the ministry?

**Hon Mrs Cunningham:** I think that in order to answer that question I would have to say that for the provinces across the country social policy has been very high on the agenda with regard to renewal. I'd speak about that in two ways: The first focus for the premiers in the provinces, and territories I might add, has been to improve the effectiveness and the efficiency of our programs. We've all decided that in Canada, like in other levels of government — provincial and municipal, school boards — there's a huge amount of room where we can improve the overlap and duplication and where we can come to a clear understanding on which level of government should be delivering which program.

Having said that, we in Ontario have decided to do that with our own municipalities and school boards, but it was

interesting for the Premier and me in our very first annual premiers' conference in St John's, in the summer of 1995, to note that this was also a concern of former governments, which I said last time. Of course, we inherited on that agenda the focus of Mr Rae's government where they were having some real challenges in reaching some kind of an understanding with the federal government as to who delivers what services. They worked along with Newfoundland at that time in delivering a very expensive and complete social policy paper for renewal of social programs across the country.

At that time, our Premier and other premiers decided that since we hadn't had success on working with the federal government with regard to revitalization of the country around the efficiency and effectiveness of the federation and the unilateral spending power, that there weren't the kind of negotiations that seemed to please many of the premiers, they had defined a different way of doing business with the federal government.

So at that time in the summer of 1995 the premiers established what they called a social policy council and they entrusted them with exploring some ways of working more effectively with the federal government. They came out with what they called a social policy report, which was delivered to the premiers in January 1996. There was subsequently a meeting with the Prime Minister and first ministers to talk about social policy reform.

Since that date, over the past year progress on social policy renewal has been hailed as an example of how governments working together can achieve policies and programs for the wellbeing of our own citizens. Everybody's worried about health care, education, training and social services. This provincial-territorial council on social policy renewal, when it was established, did have that agenda, which was reaffirmed in the summer of 1996 in Calgary, to work with the federal government on a number of priorities.

I represent Ontario on that council. I was also asked to coordinate an approach to the overarching social policy issues of national importance based on the framework for reform and renewal set out in that 1995 document that I have already mentioned to you. They identified their priorities again, in an issues paper.

I could go into more detail around the two areas where the discussions are taking place. There's a provincial-territorial forum and there's also federal-provincial-territorial forum, and that's unprecedented. Otherwise the



federal government from time to time meets with the provinces and the territories in this particular forum. We met in October and November 1996 and again in January and June 1997. Then we met at the end of November 1996 and in January 1997.

The federal-provincial-territorial council is looking at ways to improve the efficiency of our social programs. You asked me why that would be a priority. I think it's a representation of what the citizens of this country are most concerned about.

**Mr Pettit:** In your statement to us last week you mention that, "Since 1995, Ontario's premium contributions" — this is to the EI fund — "have exceeded the benefits by about \$4 billion annually." If my math is correct, that's about \$11 million per day. Also, you went on to say, "Ontario will receive \$365 million less than it would have if CHST funding was distributed on an equal per capita basis." That's another \$1 million a day. Tally that up, you've got about \$12 million per day. If we go back about six months, when we used to talk about how the province had about \$1 million an hour more going out than it had coming in — and that's probably down now to, let's say for the sake of debate, \$750,000 dollars per hour, that's roughly two thirds. If we look at it, at \$18 million a day going out more than coming in, how do we justify to the people of Ontario those types of contributions and that we're not getting equal treatment in terms of dollars? Furthermore, what is the government doing to try and counter that?

*Interjections.*

**The Vice-Chair:** Let the minister answer, please.

**Hon Mrs Cunningham:** This has been an ongoing challenge within the federation. It's not new. A lot of the complaints have been augmented, as Mr Wildman is quick to point out, but it's our responsibility to actually make sure that the citizens in Ontario receive fair treatment from the federal government, and this is what we've tried to do. We've certainly had some very serious discussions with the federal government with regard to the CHST and the federal offloading, and although the CHST formula locks in allocations until the years 2002 and 2003 — and this we inherited; it wasn't something that happened during our time — the Prime Minister did announce, I think in April 1997, that the CHST cash floor would be increased from \$11 billion to \$12.5 billion starting in 1998-99.

It was a small step in the right direction, but it won't help us to the extent that we think we need to be assisted to achieve our goal of fair treatment. We'll have a lot of assistance here in our work, and have always had with the members of our opposition parties who have suffered the same treatment by federal governments in the past. But despite this change, provinces' CHST entitlements have been reduced by \$2.5 billion in 1996-97 and \$4.5 billion in 1997-98 compared to what would have been paid under EPF and CAP, which were the old programs.

This is something on which I think we should perhaps all decide how we can be more effective and work together. I certainly did send the messages out, I think in a

very gentle way, but we would like the help of our Liberal federal members in this regard. I know that many of us are talking to the Liberal members. There's no point in getting political about it because what we want here is exactly what other provinces of all political stripes are asking for. Finance has told us that the cash payments to Ontario will decline by about \$2.1 billion between 1995-96 and 1997-98. So the points you have made, Mr Pettit, are the basis for our own negotiations.

**1620**

The other one that I'd like to emphasize again has to do with the labour market training. You mentioned the EI account. I think we're at the table, but we may not be right now, because we will probably be the last province to sign on to a labour market training agreement. We're prepared to sign an agreement with Ottawa, and a deal would be a major opportunity to improve training and to cut the overlap and duplication.

In May 1996, a year ago, the federal government offered to transfer employment-insurance-funded labour market training to the provinces. We've already discussed that. That was part of the throne speech. The federal funding offer to Ontario is worth about \$500 million annually for training programs. That sounds pretty good, but while Ontario has 36% of Canada's unemployed, the federal government plans to allocate only 27% of the national EI funding for training to unemployed Ontarians. This means that, on average, unemployed persons in Ontario will receive 30% less federal funding for job training than unemployed persons in the rest of Canada.

In 1997 the Ontario budget clearly indicated that Ontario wants a training deal with Ottawa. We've tried the regular route and now we've put it into our budget. We've also said that unemployed workers in Ontario should have the same federal support for training as Quebec or other provinces, so we've made it a very public statement that would be read by the citizens across the country and the province, but also by people who work in finance and the finance minister federally. We now know that, based on the figures in our own 1997 Ontario budget, Ottawa would have to provide us with an additional \$100 million a year to give our unemployed Ontarians, our citizens who are unemployed, the same level of funding provided in agreements with other provinces.

This is all part of not only our concern but other provinces' concerns, although Ontario in this regard has the greatest deficit with regard to fairness of treatment; the other two provinces would be British Columbia and Alberta. We've made this all a part of our discussions with regard to the renewal of the federation. It was one of the seven principles — this is called the 80% — that came out of the discussions in Calgary. There is a meeting with the Prime Minister and the first ministers some time, hopefully, in November, and I'm sure that we'll have to make our point again. The fact is our start position is equitable treatment and we plan on representing our citizens. I don't think anybody here would want less than that.

I think that many of us have had an opportunity to talk to our own federal counterparts and I know that those of

you that have talked to me about it have had some fairly frank and good meetings where they've actually been asking for information. I would pursue that if I were anyone who had the opportunity to read these Hansards with regard to what we are about in this committee.

**The Vice-Chair:** Mr Wettlaufer.

**Mr Wayne Wettlaufer (Kitchener):** Thank you, Chair. How much time do I have left?

**The Vice-Chair:** You have three minutes left.

**Mr Wettlaufer:** Okay. The one question I had is going to take considerably more time, so I'll ask another short one first. Minister, given that your ministry is involved in dealing with federal and interprovincial relations, I notice that salaries and wages within the ministry have dropped down considerably from 1995-96 actuals to 1996-97 interim actuals, about \$140,000. It's on page 25 of the estimates book. I was just wondering if there was some action that you had taken within the ministry that might explain that.

**Hon Mrs Cunningham:** It would be the number of staff. Although everybody gets kind of excited, we didn't give them any more money that I know of. We just asked them to work harder and longer. The salaries and wages and employee benefits make up some 63% of the budget. With regards to numbers, 35 within the ministry itself, that's a reduction of five just over the year before. It's a decrease in the number of staff.

**Mr Wettlaufer:** That's a significant decrease.

**Mr Wildman:** That was on page 5 of the Minister's opening remarks —

**Hon Mrs Cunningham:** What did I say? Yes, we did have two peak budget years in this ministry, which was one of the most exciting places to work — and still is — as Mr Wildman would always like to remind us.

**Mr Wettlaufer:** He's just having fun.

**Hon Mrs Cunningham:** Oh, I know. He always has a good time in this meeting, which I am happy about. They did have some good times during Meech and again during Charlottetown, and the ministry did have increased numbers. We're considerably lower than in those two peak years. We have a chart somewhere. If you're interested in looking at it, I'd be happy to get it for you.

**Mr Jean-Marc Lalonde (Prescott and Russell):** Thank you, Minister, for coming in again. Last week, I focused mainly on labour mobility. I'd just like to bring up some of the information I've gathered since; also to clarify some of the positions we have taken concerning labour mobility.

I'd just like to say that we have from Quebec working in Ontario in the Outaouais area alone — Gatineau, Hull and Aylmer — 41,500 people crossing the bridge every day, vis-à-vis 18,936. The reason I bring that to your attention is that I was at the AIPLF conference this morning and the Quebec people were saying 35,000 Ontarians were working on the other side, that if they were to buy a house on the other side, it would create jobs on the Quebec side, but they thought they only had 15,000 coming in on the Ontario side. I have the figure that I just got from the National Capital Commission at noon today. Out of

this, I'd like to say that 21.6% of the total labour force of Quebec is working in Ontario; that is, in the Outaouais area.

Today I would like to ask a few questions to the minister. Minister, a couple of weeks ago, did you inform the House that your ministry had sat down with the Quebec government — or you mentioned something about the goods and services exchange or agreement —

**Hon Mrs Cunningham:** Are you talking about procurement?

**Mr Lalonde:** Procurement, yes.

**Hon Mrs Cunningham:** That chapter is a priority of the completion of the internal trade agreement. We could give you more information on that. Would you like an update with regard to your question on the labour mobility piece? Because I did a little work on that.

**Mr Lalonde:** I would appreciate that very much.

**Hon Mrs Cunningham:** Would you also like us to talk about the procurement piece with regard to the direction of the premiers from the annual premiers' conference in New Brunswick?

**Mr Lalonde:** That too I would appreciate.

**Hon Mrs Cunningham:** There are two chapters that we should be doing more work on. The premiers decided to direct their ministers responsible for trade to have a progress report to them by January. I can talk about that, but why don't I update you at least with regard to the Ontario-Quebec agreement on the construction industry. Actually, the Minister of Education and Training has taken over this file and responsibility for the agreement from the Minister of Labour. They have overall responsibility across the government for the labour mobility issue, so we'll be doing business in a little bit different way here.

**1630**

The free movement of labour, as you've described, in getting access to the Quebec construction market for Ontario workers is the objective of the agreement. You brought us some very interesting concerns last week, which we analyzed by the way, that are extremely frustrating.

Now education and training is responsible. They're also responsible for the apprenticeship in trade. That's probably why we've linked them together. The construction industry requires, as you know, that the well-trained workers in many of the different trades and their qualifications are regulated. We've got some work to do here considering what you told us last week.

The important part of the ongoing work with Quebec is to identify the equivalencies in construction trades in our two provinces. To ensure mobility for the Ontario workers, we've agreed that training for them is similar in both Ontario and Quebec. So we need to know any information anybody can bring to us where that part of the training agreement is not being honoured.

I know, in talking to the ministry, that they are working with Quebec right now to broaden the recognized equivalency so we can have a larger scope for people who want to be trained and to work in both provinces.



Also, to permit greater access for us to the Quebec market for our Ontario workers. That's what I was able to know. That's a very active file right now. There's ongoing work happening.

The Minister of Labour and her staff last spring negotiated this improved access. Now it is the Minister of Education and Training who is going to have to do the work to make sure the agreement works, to the advantage of Ontario residents and that they get access to Quebec and to that market.

There will have to be expanded further negotiations. There's actually a person in the eastern regional office and this is her responsibility. I wanted to update for you what's happening there. You can bring more issues to my attention, because I can tell you it's extremely helpful.

**Mr Lalonde:** Yes, Minister, it will be very important that I get the copy because I think you're aware they are to meet once a year to look over all the complaints they have received. In Ottawa you were very limited in the number of people you had there. Mary Holdcroft is responsible. Mary is all over the place. We are sending out 425 form letters to the contractors who have either called us or sent us letters complaining about the problem they have to access construction projects in the province of Quebec.

**Hon Mrs Cunningham:** Are you doing that yourself?

**Mr Lalonde:** We're doing it ourselves because we want to make sure the ministry is fully aware. As you know, construction people or contractors during the summer period are so busy they don't have time to do research or write letters, so we designed the form ourselves. We will be getting those answers back. We have started to go around the province at the present time, hearing the complaints from the people. That we have already started to do.

I have a letter here that was addressed to me by Mr Bob Hyndman, BLR Safety and First Aid. I would like to read two paragraphs of this letter. It's addressed to me from BLR Safety and First Aid in Gloucester.

"For many years, BLR had an annual sale of \$40,000 to supply Hydro-Quebec with their first-aid and safety supplies. BLR also averaged additional sales of \$30,000 to the cities and municipalities of Hull, Gatineau and Aylmer. The province of Quebec has 'somehow severed' our sales to all levels of government-related agencies because BLR is based in Ontario.

"However, Quebec-based safety supply companies are free to come and sell in Ontario to municipal, provincial and federal agencies, taking sales from us." This is a true one.

We have other letters, people who went to Sacre-Coeur Hospital in Hull, for example, after the contractor, Eastview Draperies, had lost the contract to the Montfort Hospital to change the draperies. He lost the contract to a Quebec-based firm. He went to Quebec, because there was a request for a bid there, and immediately when they saw he was from Ontario he was disqualified; he cannot submit a quotation to Quebec.

Since I focused an awful lot on labour mobility last week, those are the two points concerning construction,

but I have other concerns at the present time that probably your ministry could take a hard look at.

As you know, we border the province of Quebec all the way through our riding. But it's not only in our riding; it's also in Ottawa-Carleton and the New Liskeard area up to the Lake Timiskaming area.

I just got this this afternoon at 2:25. It's so recent. At the Hawkesbury hospital, 28% of the patients come from Quebec. The MLA from Quebec, Louise Bourdeau, advised Quebecers not to get health services in Ontario. She wants to gather everyone in Lachute, Quebec. You've probably been in Hawkesbury. It's the furthest hospital in Ontario in the east end. It services Ste-Anne-de-Prescott, St-Eugène, and 28% of that comes from the Quebec side, servicing Montebello, Pointe-au-Chêne and Brownsburg and all those places. I really feel at this time that under your ministry an agreement could be reached with the Quebec government. There could be an exchange of services. Lachute is about the same size as Hawkesbury, even smaller, and from Lachute the next hospital they could go to is either in Saint-Jérôme or Montreal.

When we look at health we don't care where it comes from as long as we get the services. In this case I think your ministry could play a key role. If it is to continue, it's going to be very tough for eastern Ontario people. If they decide to apply those restrictions in eastern Ontario, it is going to go on up to northern Ontario also.

I wonder, Minister, on this one, before I go to the next one, if it is possible for you to try and sit down — either yourself or some of your ministry staff — with your colleague the Honourable Mr Brassard from Quebec. It might not be easy because I watched him on television last night, and I'm telling you, everything they did in Calgary was wrong, according to him. Anyway, I think it would be worthwhile to sit down with him and discuss those matters for the eastern Ontario region.

**Hon Mrs Cunningham:** I also saw the remarks, but I must say that when we have had to have discussions on this issue we're talking about, I think he would be most receptive to making some progress.

We did talk about the area of mobility, especially in the area of social policy, and this is hospitals, and it was a priority for the premiers. To that end, the Ministry of Economic Development, Trade and Tourism — I guess this one would be — what would it be?

**Ms Judith Wolfson:** This would be part of the agenda of the council —

**Hon Mrs Cunningham:** That's right, yes. I think we will be able to keep this one within our own ministry, working on the mobility piece, because it was one of the topics for discussion under the social policy renewal. This is right from the annual premiers' conference. Thanks, Bill, for your speedy finding of this piece.

**1640**

I'm going to read it to you so you know exactly what the priorities are. This is part of the communiqué, "National Mobility Initiative." Mr Brassard was there for this, not in the room but he knows it happened. In fact, he was probably in the room but I know that Mr Bouchard



came back. We had a chat at the APC, so I can remind him that the premiers noted that, "Canadians should be able to move freely throughout Canada without barriers based on residency," which is what you're talking about. We can hand you this but you'll have it in the Hansard as well.

"Premiers agreed that the federal government's unilateral cuts to the Canada health and social transfer have, however, reduced the funds necessary to help support the mobility of Canadians.

"In discussing social policy renewal, premiers observed that a defining principle of Canada's social union should be that social programs do not create barriers to mobility. Premiers noted the federal government has expressed interest in addressing questions of mobility in social programs, and currently enforces mobility provisions on a unilateral basis through the CHST prohibition on residency requirements for social assistance and the portability principle of the Canada Health Act."

That's just one part of this, but I think what you're drawing to our attention will also fit this discussion.

They "indicated that they are prepared to discuss this matter within the context of discussions on managing the social union," so we could possibly raise this. "They directed the provincial/territorial council on social policy renewal to review questions of mobility issues in federal, provincial and territorial social programs, with a view to reducing or eliminating unreasonable restrictions to mobility," and here we're talking about citizens, "and better defining the commitments of governments to protecting mobility."

This is part of the work plan of our council, so you've given us a very good specific example here to work with, but we won't wait. We can have further discussions about this in the next few days, if you want.

"Premiers also asked the council to consider alternative means of enforcing current federal mobility requirements that would eliminate the unilateral aspects of these provisions."

It was of great concern to make this part of the work plan and also a specific area to draw to the attention of Canadians through their own communiqué coming out of the conference. If you can give us something tomorrow, perhaps, we can put that on our agenda for our discussions with Mr Brassard.

**Mr Lalonde:** If this is happening at present in Hawkesbury, it's going to happen in the Pembroke-Shawville area and right up even in the Premier's riding, which is only about three quarters of an hour's drive before you get to the Quebec border. I'm sure the people up there on the Quebec side use the health services of Ontario in that area too.

The next question that I have, Minister: I have quite a file on another case. In a municipality along the border we tend to use specialists in Quebec often. One of the reasons in the Hawkesbury area — I would say the same thing up in the Lake Timiskaming area — is it takes a while before you get to an appointment in Ottawa. Hawkesbury to Ottawa is an hour's drive and you could get to Montreal in

45 minutes from Hawkesbury, so the people are going to Montreal.

In this case a patient, Mr Michalchuk, went to the Royal Victoria Hospital. Apparently there are 400 cases that are going to the Quebec ministry at the present time. They are refusing the health card from the Ontario resident. They have to pay cash.

According to the Ontario-Quebec health agreement, doctors are supposed to be accepting the Ontario health card, which they are not. They are saying the reason they are not accepting it is it takes eight to 12 months to get reimbursed. It is against the law at the present time for a patient to recover the cost of that doctor's fee directly. It's got to go through the hospital or the physician's office.

I was looking at this whole file. There are probably 30, 35 phone calls that have been done and we have all the names of the people. At one point the Ontario ministry people said, "Why don't they come to Ontario instead of going to Quebec to see a specialist?" I even have the name of the person who said that here.

It's not our fault really that they go to Quebec. It's because it's closer and also because of the length of time they have to wait going to Ontario compared to the Quebec hospitals.

**Hon Mrs Cunningham:** In ongoing discussions with regard to the kinds of concerns you bring to our attention, we don't wait until estimates. We try to deal with this in an ongoing way. We're certainly aware and the Minister of Health is aware that there are some concerns in this area, to the extent that when our Premier met with Mr Bouchard — obviously the ministers give him some advice as to where the priorities for discussion are, and this was one of the areas he brought to the attention of the Quebec Premier.

But it's also an area of concern for ministers of health across the country, because after all we always talk about our national standards and mobility within Canada, one of the most successful health care programs probably in the world, even though we don't believe that national standards have to be federal standards. But it is a problem and it was brought to the Premier of Quebec's attention and is one that I will again bring to the attention of Mr Wilson.

**Mr Wildman:** Just to follow through with what my colleague, the owner of the Hull Olympiques, had to say in that regard, I think it's also Ontario Ministry of Health policy that's a problem here in that the Ministry of Health takes the position that if there's a specialist in Ontario you can go to, then they try to direct the patient to the specialist in Ontario, even if it's more convenient for the patient to go to another jurisdiction such as Quebec.

Having said that, I'd like to move to the communiqué that came out of the discussions in Calgary. Despite the fact the Premier said that the nine premiers were not saying anything specific to Quebec other than, "We love you," it does seem to me that when you look at the communiqué and the so-called framework for discussion, it is more than just process. There are in fact some substantive issues raised and I'll just look at a couple of those. Num-

ber 2: "All provinces, while diverse in their characteristics, have equal status."

Obviously that's a substantive position as part of this framework. It's clear from that that the provinces have rejected the concept that has been talked about and argued about for some years in Canada, and that is asymmetrical federalism.

This obviously is a rejection of the kind of process that is happening in the United Kingdom right now, where as a result of the referendum in Scotland, Scotland will have its own assembly, and I suppose in a couple of weeks if Wales votes for an assembly, they will have an assembly, but England will not. In a sense, while I wouldn't call what is being proposed in the United Kingdom federalism, it is asymmetrical, or will be. Having said that, that seems substantive to me, more than just process.

1650

Then on number 5: In Canada's federal system, there is a recognition of "the unique character of Quebec society, including its French-speaking majority, its culture and its tradition of civil law," and this "is fundamental to the wellbeing of Canada."

Then it further says, "...the Legislature and government of Quebec have a role to protect and develop the unique character of Quebec society within Canada." That is quite substantive. Frankly, I welcome it, but it doesn't look like just process to me.

Number 6: "If any future constitutional amendment confers powers on one province, these powers must be available to all provinces." Again, a substantive statement, a rejection of asymmetrical federalism and I think that obviously there has been more than just process discussed in Calgary.

While this may mean to Premier Harris that these seven principles are just a complicated way of saying "We love you" to Quebec, I think it says a little more than that, not just to Quebec but to all Canadians.

I'd like to move, though, to process because in the communiqué the Premier said, "Each province and territory will determine the scope of consultation and the most appropriate mechanisms," and then attached to the communiqué are guidelines for the process of public consultation:

"(1) Will be open to the general citizenry.

"(2) Efforts should be made to find creative ways of engaging Canadians in each provincial consultation process.

"(3) Governments should act as catalyst for the process of consultation.

"(4) It is acknowledged that provinces and territories may wish to have processes of consultation in stages but the advantage of a coordinated time frame is recognized," without having reached that time frame, I guess.

"(5) Each province and territory is free to decide on the range or scope of consultation as well as the most appropriate mechanism for consultation." It's that one I want to concentrate on.

Looking at those guidelines, particularly number 5, could the minister indicate to us the range or scope of consultation in Ontario and the appropriate mechanism?

**Hon Mrs Cunningham:** I think we're considering ways, with the help of our opposition leaders, of moving forward on these consultations. I think the goal is to take an open, non-partisan approach that contributes to consensus building and to a genuine sense and reality of involvement for Ontarians. This will be a process for the people, unlike what the perception — I underline that word — was in the past. Because it's interesting. I know our Premier described to us the fact that the public actually don't think they were consulted around Charlotte-town. When you take a look at —

**Mr Wildman:** I went to an awful lot of meetings, as I recall.

**Hon Mrs Cunningham:** I know.

**Mr Wildman:** And I debated a lot of times with people who called themselves "reformers."

**Hon Mrs Cunningham:** They too didn't feel they'd been consulted, so now we have to find ways of engaging our fellow citizens so they can work through some pretty difficult and complex issues and reach some, perhaps the word should be "responsible," conclusions about them. That is a great challenge.

We can't direct people about what they should decide. We have to give them the opportunity and the information so that they can decide intelligently for themselves. That will be a challenge for the members of our Legislative Assembly.

**Mr Wildman:** Okay, but if I could respond — I'm not trying to be difficult; I'm genuinely interested, as you know — there have been some basic principles set down, so in a sense the premiers have already set out some of the things that have to be decided — those seven principles — and we're going to consult about those. So I guess what you're saying is that at this point you are unable to tell us. You're going to consult about the consultation to find out how we might develop a mechanism. At this point, you can't tell us that.

**Hon Mrs Cunningham:** I could give you some ideas.

**Mr Wildman:** Okay, I just wanted to go from that. This morning the Premier was musing in the scrum, I understand — although he wasn't able to make a statement. Is he going to make a statement tomorrow?

**Hon Mrs Cunningham:** Yes. That's my understanding.

**Mr Wildman:** On this?

**Hon Mrs Cunningham:** That's my understanding.

**Mr Wildman:** Okay, because he was musing in the scrum this morning, saying that perhaps they could use MPPs' newsletters and maybe the Internet as appropriate mechanisms. I certainly don't have anything against those things being used; I think they probably should be. But if that's the sum total, all Ontarians don't have access to the Internet, and thanks to Canada Post, it looks like not all Ontarians are going to have access to our newsletters either.



I hope there is going to be more to it than that, because number 1 is, "Will be open to the general citizenry." That is what is stated here.

**Hon Mrs Cunningham:** If I can just tell you what the underlying basic principle of this consultation will be with regard to the Premier, when we take a look at just how we can go about it in Ontario, the expectation is that we'll do it with your help from the NDP and the Liberals. So if you're wondering, you can start writing it all down because —

**Mr Wildman:** In a sense, it's being written down in Hansard.

**Hon Mrs Cunningham:** Yes, but as in the past, I think it is the responsibility of the whole Legislative Assembly to decide in Ontario how we speak to the constituents. There will be many different ways of doing that, but in the meantime, you're an experienced member of this process, more experienced than any one of us elected representatives in this room. So actually whether you like it or not, we're going to be counting on you, because you can probably show us some of the areas where we may have some difficulties.

**Mr Wildman:** Don't misunderstand me, and I don't think I misunderstand you —

**Hon Mrs Cunningham:** No, we don't —

**Mr Wildman:** In both of our leadoffs to the discussion on these estimates, I think we indicated there was a role for all of us in the assembly, and I agree with that.

It's just that it seems to me also that the Premier, though, because he's Premier, the leader of the government, the person who speaks for Ontario in these kinds of discussions, has an obligation to put some ideas out, at least some proposals for consultation, to then get the responses or the reaction of other members of the assembly, from all sides, and to move from that to a process which is acceptable to the people of Ontario. I hope he'll do that tomorrow.

How much time do I have left?

**The Vice-Chair:** You have eight minutes left.

**Mr Wildman:** Thanks. If I could raise a couple of other things coming out of the communiqué, it says: "The premiers and territorial leaders remain committed to meeting with aboriginal leaders to follow up on the recent annual premiers' conference held in St Andrews," to which the aboriginal leaders were not invited. It doesn't say that, I added that. "This meeting has been tentatively scheduled for Winnipeg, Manitoba, on November 18, 1997."

1700

I think that's a good thing. I would just ask you — and this is certainly not self-pleading because I probably wouldn't be able to attend since my other responsibilities are around here — but in the past, under three governments, representatives of the opposition parties were invited to attend as observers at these meetings. As I recall in the Charlottetown process, at various times — well, Mr Beer from the Liberal party participated, but so did Mr Eves and Mr Sterling. They sort of alternated from the third party. They had various levels of participation, and

that has also depended on the government and the government's style and the government's approach.

Mr Beer, for instance was quite active and involved in discussions directly with people, with me and the then Premier and with representatives of the Ministry of Intergovernmental Affairs and others in that process. I would like to know if that has been considered by the current government as a way of involving all three parties in the Assembly in this process.

**Hon Mrs Cunningham:** There are different ways of course of including the aboriginal peoples, but I think the meeting you might be talking about is the meeting that the premiers are going to have with the aboriginal community. That's basically a debriefing of the annual premier's conference.

**Mr Wildman:** That's all it is?

**Hon Mrs Cunningham:** That's all that it's supposed to be at this time. It was a promise as we went into it that they would have that meeting, so that's what that's about.

Getting back to the whole issue of the process here, I think we all have to proceed very carefully and we've got to give a lot of thought to it. I know that the Premier will be consulting with the opposition leaders on that, if he hasn't already called them, to say, "We're going to put our heads together with regard to how we proceed." He does have some ideas about a number of approaches himself, some of which he's already heard from with regard to the opposition leaders.

We know the Ontario public wants us as politicians to take our rightful place with regard to acting as a catalyst, but they don't want us to prejudice the outcome. That's why we have to think so carefully. I guess the question is, how do we do it? We've got all kinds of resources in this province that will assist us. That I think will be the basis of how we can involve our volunteers. Our community organizations and all the different networks that may want to be part of it will be part of the discussions that the Premier has with the two opposition leaders.

You were talking about the technology. There's lots of different kinds. I guess what we should all be thinking about, because we've all been invited to think about it and to give our best advice, would be what you'd want to do in your own community that we should be talking about. I think it's an opportunity to be extremely creative and meet the needs of a community that basically is telling us — if you ask them, they don't want to go to big public meetings any more. They're busy. That was one of the issues that I heard. We've consulted now for the last 6 months with experts who know how to talk to their communities and they basically said to us, "You better think something up other than public meetings because people want another way of letting you know how they feel." So there are varieties of ways.

I think that's probably what the Premier had in mind when he threw out the idea of the Internet and 1-800 numbers and whatever. I'm sure that we can talk in a more creative fashion than we have in the past where we met with significant failure. We don't want to do that again.



**Mr Wildman:** I want to remind the minister, as she's aware, in Ontario we voted for the Charlottetown Accord. It was a close vote, but we voted for it.

I want to get to social policy renewal next time, I guess. I'll follow that through when I next have the opportunity.

**The Vice-Chair:** We move over to the government side. Mr Wettlaufer, you can continue with your longer question this time.

**Mr Wettlaufer:** Minister, our government was elected with a policy of jobs, jobs, jobs — economic renewal. There have been some questions as to whether the position of unity, the position we've taken in recent weeks, plays a role in our policy. In some of the questions that I've had back in my riding, I've tried to explain — and this is only part of the answer — that while national unity is an emotional issue, nevertheless it also is a jobs issue, it's also an economic issue. That is of course that a strong, united, vibrant Canada is a place that international markets want to invest in and provide jobs. Of course, if we're a divided Canada, then the money flows the other way and we lose the jobs.

Given the leadership role that it's reported the Premier played in Calgary this past weekend — and I think it's very important that he did play a pivotal role because I'm one of those unemotional Canadians who becomes emotional over this issue — can you give us a broad update on the weekend's affairs? Even though you weren't there, I know you've played a very active role in what has happened.

**Hon Mrs Cunningham:** I thank you for the question, Mr Wettlaufer. You made a very good introduction there. Economic renewal is jobs, jobs, jobs, and investment, as we all know, is something that governments are basically trying to set the tone for, the climate for, in provinces across the country. It was interesting for me to hear the premiers two years ago, again a year ago, and this last year in New Brunswick state that one of the great challenges we have to attract investment is to reassure our own country and the international markets with regard to the future of our country, the unity of the country. So for many reasons that have already been discussed here in these meetings, the premiers agree that it is time to consult directly on how to strengthen the federation. Some of us refer to unity as the 80%, which is the rebalancing, the roles and responsibility, the unilateral use of the federal spending power, but the other 20% is sending a message, no matter how we want to put that forward, to Quebec.

Jobs and growth were the main part of the St Andrews meetings, where they took a look at the economic and fiscal outlook and set themselves a business plan on how all of them could move forward and get their own fiscal houses in order, which some are doing much better than ourselves. They also noted that the federal deficit targets have been achieved in large measure through reductions and cash transfers to provinces and territories, which we've already talked about. As a result of that, the premiers believe that all provinces and territories should have a role — and this is interesting — in determining how any emerging federal fiscal dividend is allocated. They actu-

ally have made that statement, that "We'd like to talk to you about what you do with any extra money." That's across all political stripes with regard to premiers. The key priority, they underline, is reinvestment for a modern and sustainable health system.

From there and those meetings, they decided that it is time to start talking about the unity of the country. So last weekend in Calgary they set out a seven-point framework for discussion — that was the one piece. They stressed that this is not intended to be an exhaustive list, even though they had the seven points. I'm sure during some consultations there may be some discussion around that, but it was a starting point for open, grass-roots consultations with Canadians.

#### 1710

Each province and territory will determine how they want to approach the consultations and what the most appropriate mechanisms are, as we have already had discussions here, for each province. We're just beginning that — maybe even these meetings today. That's okay.

In public statements following the meeting, both Prime Minister Chrétien and Quebec Liberal leader Daniel Johnson stated that the meeting represented a solid beginning, so it's great to have. The objective was to influence the selection of the next government in Quebec. We talked about that last week. The framework for discussion agreed to very clearly recognize that we can only achieve a strong, unified Canada if we have a federation at work, because there is a lot of dissatisfaction across this country right now, from province to province and territory to territory. Governments must work in partnership, particularly in the delivery of social programs, which I described earlier to Mr Pettit.

The provinces and territories renewed their commitment to work towards cooperative arrangements with the federal government, as set out in the statement on social policy renewal, which we talked about at the APC in August, and there will be a meeting of the Prime Minister and the premiers this fall — they're saying November — to discuss ways of working cooperatively in the areas of social policy reform to increase, as I refer to it, the effectiveness and efficiency of the federation. This meeting will focus on the administration of the Canada Health Act, because we talked about that at the APC, with regard to jobs and growth and the economic agenda.

The second one, and I think the priority for the ministers of education and training, was the urgent issue of youth unemployment. As an aside, I thought it was very interesting that after the meetings of the premiers in August the federal government should respond with their own program — again didn't get the message without consultation with us — and giving federal government jobs to 3,000 young people, when there are so many other good ideas the provinces need some support for as we look at the very serious issue for long-term employment and very focused, specialized training, and sometimes at a very early age.

The framework for the discussion defined at the Calgary meeting also set out some points that help to

define our identity as Canadians, which Mr Wildman read into the proceedings today, and it speaks of the equality of citizens and the equal status of the provinces, talks about the diversity that is a fact of Canadian society and our tradition of respect for that diversity as a key element of the unity of Canada. It speaks about our Canadian values of tolerance and compassion and about the goal we have consistently set for ourselves as a society to provide equality of opportunity for all Canadians. In that context, the framework for discussion notes the unique character of Quebec because of its majority language culture and civil law code. The framework also states that if any future constitutional amendment confers powers on one province, these powers must be available to all provinces, and each province's consultative process will set out to engage the citizens of Canada in an open, non-partisan and inclusive way in discussions to help guide the future of our federation.

A final couple of points: Premier Harris had already met with the opposition leaders, before he left, to discuss the possible forms the discussions might take in Ontario. He'll be doing that very quickly upon his return, if he hasn't already. As Mr Wildman pointed out, we have always worked together in the past and we have always had confidence in the government, but that's because we were included, so we could have confidence.

We will continue to keep all parties informed and involved. I have already invited the members of this committee to come up with suggestions and ideas, and we have to work out yet — we'll do this with the opposition leaders — some kind of process for pulling all this information together. There are lots of ways we could do that, but I'm anxious to hear about those discussions.

With the input and the cooperation of all of us, because we are the elected members who have been given the trust and confidence of our own constituents, if you have a chance to talk to them — you will probably not have to reach out to them; I think they'll reach out to you. Even in casual conversations that we have, I think sometimes the best advice comes from people who care enough to talk to us. They take the time to pick up the phone or stop us in our work, even during our work here in Toronto when most of us are away from our own constituents. I think all of us are looking for effective ways to engage the citizens and also to look at a creative consensus about the future of the country and Ontario's role — and I have to put it this way — in the Canada of tomorrow, because it must be very different. There is a whole generation of young Canadians who are telling us that it must be different. That's about it with regard to an update.

**Mr Wettlaufer:** Will there be regular discussions between the premiers of the various provinces, or you and your peers, the intergovernmental affairs ministers, to discuss what is going on, to discuss the various methods of consultation that we are doing with the public?

**Hon Mrs Cunningham:** That's a good question that most wouldn't think to ask. The premiers have decided to go back to their legislative assemblies with the challenge, so there will probably be an informal discussion among

some of the ministers or even the premiers — "How are you proceeding? Any good ideas?" — that kind of thing, but nothing has been decided formally. They are going to have a meeting before they go on their Team Canada mission the first week of January and they are also going to have an opportunity to see each other at the first ministers' meeting, so my guess is that there would be some kind of update at that time.

I want to emphasize, because I had this question from the media, "Will you be finished your process for January?" that my instinct is to say that all that the premiers have decided to do in January is report back on their progress. Maybe the progress in some provinces will be that they have finished their consultations, but we, with our opposition leaders and some assistance from you, I think will decide that we will give this the kind of time the public needs to consult with us, so we haven't set any time frame.

**Mr Marcel Beaubien (Lambton):** Minister, I have a question dealing with the national revenue collection agency. I realize that your ministry is not the lead ministry on this issue, but my colleague Mr Lalonde talked about the border with Quebec a few minutes ago. In my constituency I also have a border, which is about 50 miles long, but it's an international border. It is somewhat frustrating when a lot of my constituents come in and say there's a lot of trade between Canada and the United States, namely Michigan and Ohio, dealing especially in used cars, but in the past couple of years in boats. These boats are not the \$500 items; they are \$100,000 or \$50,000 items, whereby the GST is collected — I have two crossings on that border — at the border, but the PST is not collected. I think that is a tremendous loss to Ontario's coffers. I know there has been some discussion between the federal and provincial governments over this issue, but I think it's a difficulty we have encountered in this province for the past number of years. Could you give me an update of where the talks are and what progress we're making on this issue at this point in time?

1720

**Hon Mrs Cunningham:** You've got a specific issue there. Where you live you've got some great examples of these boats coming back, correct? We know about these boats in Ontario and the competitive edge we should be doing a better job on. That's my view. But this is a Ministry of Finance issue. I certainly haven't got any information, other than what you and I have discussed in the past, as to any progress there, but I will get it. I'll talk to the Minister of Finance about this.

With regard to the national revenue collection agency, there are a couple of points I'd like to make here. That stems from the 1996 federal budget. The federal government is proposing that revenue collection be done by a central agency. That's not new. We'd like to participate and we're certainly willing to listen to the proposals. But we have a strong position with regard to a business case being made showing that such an agency would be more efficient for the taxpayers, as long as it's at arm's length and, I underline, not federally controlled.



We have some prerequisites with regard to this agency and just jumping in. It's not new; this has been discussed in the past. Ontario has a number of concerns about the way the federal government has treated Ontario with respect to our tax arrangements. We want to be constructive, but as we noted in the 1997 Ontario budget, we're very dissatisfied with the inflexibility of the federal government on this issue so far. That would be an up-to-date response to your first point about the national revenue collection agency.

How the boats fit in — which we're both interested in, because we both had examples brought to us by our own constituents on more than one occasion — I'll have to get an update.

The current federal-Ontario personal income tax collection agreement has been characterized, to put it bluntly, by a number of limitations imposed by the federal Department of Finance on provincial tax policy ideas. We've been significantly frustrated, as former governments have been when they've made some efforts, and dissatisfied with the personal income tax collection agreement as it regards the development of new policy ideas, which many of us have been party to.

They refuse to make changes we've asked for or requested that affect only Ontario's taxes: the original design, for instance, of the fair share health care levy, a tax credit for gifts to crown foundations, which all of us are interested in, and a checkoff box on page 4 of the return. Those are some areas where we've requested that they consider change, and we have requested that they work with us. Believe it or not, those simple requests — Mr Wildman again shakes his head, in acknowledgement.

**Mr Wildman:** No, I was talking to someone.

**The Vice-Chair:** You know it fits there, though, Bud.

**Hon Mrs Cunningham:** It's nice to see an NDP — *Interjections.*

**Hon Mrs Cunningham:** It's okay. You're safe. But I'm watching everybody. You can afford this one, Bud. You didn't even have to put your sign up. It's nice to see the agreement of my colleague, the long-standing goodwill in this regard. We just don't have the agreement of our federal colleagues to any greater extent than you did, Mr Wildman.

Thank you for that question. We will get back, because there have been specific letters written to the Minister of Finance with regard to that example of the boats.

**Mr Beaubien:** There is one point I would like to emphasize that Mr Wettlaufer talked about.

**The Vice-Chair:** A quick point, please, Mr Beaubien. You've got two minutes.

**Mr Beaubien:** Okay. We talked about jobs. If we look at the impact this trade has between the borders, the suppliers of marine equipment cannot compete on a level playing field with American suppliers because of the tax not being paid. We lose an awful lot of jobs in the area. It's just a point.

**Hon Mrs Cunningham:** It's worthy of another letter to the Minister of Finance, with your three examples, and

anybody else here who lives on the shoreline, as Mr Beaubien does. We have to do that.

**The Vice-Chair:** We'll return to the official opposition.

**Mr Lalonde:** I'm going to education first and then I'll come back to labour mobility. But Mr Beaubien just brought up the point that we have a hard time collecting Ontario taxes at the border with the United States. But we happen to be facing the Quebec border in Canada, and the other sector is the United States. It's pretty hard to collect the taxes, but probably you can do like we do. We report them to the Ministry of Revenue in Ontario whenever we see a Quebec licence plate doing a contract in Ontario, because they have to pay 4% of the total value of the contract when they work in Ontario. But we don't have the inspectors in place to catch them unless we do it ourselves.

Here is another difficulty or problem that exists all along the border, which is at the education level. I was wondering if it is possible for your ministry to discuss this with your colleague Mr Snobelen, the Minister of Education. Last year, 150 students at our elementary schools were sent back to Quebec schools. They've been attending schools in Ontario ever since they started elementary school, and apparently it's happening in secondary schools.

An inspector just happened to be walking in the school and she noticed a student sitting there and said, "Are you still living in Papineauville?" The student said yes. We started to investigate immediately and 150 of them were coming to Ontario for elementary school. Immediately, the Quebec Minister of Education was advised that we would not accept those students any more because it cost the province of Ontario between \$5,000 and \$6,000 a year per student.

I recognize that those students came from the Rigaud area, the Ste-Anne-de-Prescott area. Instead of travelling 15 or 20 minutes to school, now they have to travel two and a half to five hours a day because there was no school close by on the Quebec side. But it is happening to Ontario people in the same way.

I was wondering if this was ever done in secondary and elementary schools; I know we do it in the post-secondary schools. Is it possible to come up with an agreement with Quebec that for anybody who comes from Quebec to attend our schools, our school boards could bill the school board from Quebec to accept those students, and probably also come up with a quota, "We will allow so many kids from Quebec to attend Ontario schools as long as you allow so many kids from Ontario to attend Quebec schools"?

1730

**Hon Mrs Cunningham:** Are you suggesting that these are secondary school students? Is that correct?

**Mr Lalonde:** Elementary school.

**Hon Mrs Cunningham:** They're elementary school students.

**Mr Lalonde:** Yes.



**Mr Wildman:** They can do that now. They can pay tuition now. What's probably the case is that the board of education in Quebec doesn't want to pay the tuition.

**The Vice-Chair:** That's what he's asking.

**Mr Lalonde:** Exactly.

**Hon Mrs Cunningham:** There probably has been an effort to get tuition, because most of us know people in our own communities who may be residing outside of the boundaries of their own school district.

**Mr Lalonde:** Within Ontario.

**Hon Mrs Cunningham:** Yes, within Ontario, or from outside, out-of-country tuition. Why don't we refer this question to Mr Snobelen and see what's happening? It would be very helpful if you could give me a letter that I could show him with regard to the area and the numbers, because then we can pursue it.

**Mr Lalonde:** I have the numbers from my area.

**Hon Mrs Cunningham:** And the school boards involved. There must be two school boards, one in Quebec, one in Ontario. If you could provide us with that information then we'll get Mr Snobelen to see you through. Did you write to Snobelen already on this?

**Mr Lalonde:** No.

**Hon Mrs Cunningham:** You should do that.

**Mr Lalonde:** Okay. I'm going to go back to labour mobility. I was wondering, when you deal with the federal people, regarding any federal buildings or bridges that belong to the federal government, whether Ontario unionized or non-unionized people could be allowed to work on Quebec federal buildings. At the present time it's not permissible for Ontario construction workers to work in the federal buildings in Quebec. The first question that is asked of any contractor when they go out for tenders is, are you allowed to work in Quebec? If they say, "We are not," they are disqualified immediately, on bridges and federal buildings.

First of all, to work in Quebec you have to be unionized, and 90% of eastern Ontario construction workers are not unionized, so this immediately eliminates all our people. Second, if it is a federal building, I don't see why they should be members of the CCQ. The CCQ is the five-union group leading construction in Quebec.

**Hon Mrs Cunningham:** I think we've got the same issue, whether it be bridges or federal buildings, when we're talking about the public sector here.

**Mr Lalonde:** It's a little different, because they don't belong to Quebec, they belong to the federal government, all of us.

**Hon Mrs Cunningham:** They've got their own legislation, don't they, with regard to —

**Mr Lalonde:** Construction.

**Hon Mrs Cunningham:** Yes, construction. It has more to do with construction. As to whether the buildings belong to the federal or provincial government, it's a matter of their public buildings and they have their laws. It's Quebec legislation.

If you've got something specific you want me to talk to my counterpart there —

**Mr Lalonde:** I think so. We have letters, yes.

**Hon Mrs Cunningham:** Again, you're going to have to document it in the form of some kind of briefing note. We're going to have to meet about it and make sure that either myself or the Premier has this discussion at the appropriate time. As my deputy points out, this is probably something that should be going to Minister Snobelen.

**Mr Lalonde:** That also?

**Hon Mrs Cunningham:** Yes.

**Mr Lalonde:** I really feel that it could be discussed. It's a federal issue, which is controlled at the present time by the Quebec government and the CCQ.

**Hon Mrs Cunningham:** That's the point, though. We're talking about federal buildings but we're talking about Quebec government. Since Mr Snobelen is responsible for the labour mobility issue — workers — then we should be talking to Mr Snobelen.

**Mr Lalonde:** It's only in the last probably five or six years that the federal buildings are included in their union agreement. Before that, Ontario residents were allowed to go and work on any federal building in the construction trade.

My last one, Mr Chair, that I would have to the minister, and you don't happen to be getting the problem here, is the trucking industry. The last time we met in Quebec City on February 12, 13 and 14 of this year, I had asked that there be an official from the MTQ, Ministry of Transport of Quebec, who would come in on Friday, which he did, on the 14th. He mentioned that in Quebec they have mutual agreement among municipalities about the trucking industry. He said he would look at the matter to see if there was a possibility to have a mutual agreement with Ontario bordering municipalities. I wonder if you could look into this.

**Hon Mrs Cunningham:** We certainly did have some discussions, as has Mr Palladini, with regard to transportation issues, specifically bridges, and we can add this. But again, you're going to have to document this one and make certain that Mr Palladini has it and copy us. In our ministry, our responsibility is to coordinate the work of the other ministries, and obviously if there's going to be a meeting with either my counterpart in Quebec, Mr Brassard, or with the Premier, Mr Bouchard, we can deal with it in that way. I don't think we have to wait for meetings. We've talked about four issues today where —

**Mr Lalonde:** We don't have to wait for meetings.

**Hon Mrs Cunningham:** No. We've talked about four issues today where the ministers actually have not been informed. If the ministers responsible haven't been informed, it would be very difficult for me to step in. I usually move agendas along and coordinate and make sure that any intergovernmental issues are dealt with by the appropriate ministry. I obviously have opportunities to talk to my counterpart, but basically I talk about agenda items that other ministers want me to put on that agenda. Not being a line minister, I have to be very careful that I don't get into the work of other people. But this is an intergovernmental affairs responsibility when it comes to coordinating the work of the different ministries, and we'd be happy to do that.

That one, I know I can say, and I think Mr Palladini would approve of me bringing forth the information to the group, that he and Mr Brassard have a very good working relationship and they speak on a regular basis.

**Mr Lalonde:** I don't know if you're aware, at the present time business people refuse to sell at times to Quebec residents because they cannot deliver the material. We have a marine salesman as a good case who was able to sell boats to Quebec. The fact that he had to deliver them in Quebec, he's not allowed to cross the river. If he does, he has to apply for a permit and then have a monthly report sent to Quebec, even if he doesn't cross the river.

In Hawkesbury, for example, a good percentage of the businesses belong to Quebec residents. What the people in Hawkesbury did, they got a business truck with a Quebec licence. Their business is in Hawkesbury because it is easy for them to cross to come into Ontario. If they were to have an Ontario licence plate on their truck, for example, for delivery, they would not be able to deliver material in Quebec. They would not be able to go back and forth, not even go to their home in Quebec. It is a major problem in all Ottawa, and I would say it's the same thing in the Rouyn-Noranda area.

**Hon Mrs Cunningham:** I just want to be very clear on this. All of us have listened to some problems that are very discouraging with regard to achieving some progress with regard to our labour mobility agreements and, ultimately, sections of the internal trade agreement across the country. Often people don't come forward with examples so you can't do much about it.

It would be very important for you to document this information, because it's very clear, I think for most us listening, this is very discouraging, especially on the eve of premiers discussing not only how we can make our country work better so that our young people across all provinces and territories are enthusiastic about Canada moving into the next millennium, but also to send that message out to Quebec. I think this could be problematic if we don't have some discussions.

It's going to take some careful documentation — certainly the pieces with regard to any intergovernmental issues are my own with Mr Brassard — but the trucking pieces that you've given me, having to get a licence plate to sort of sneak the delivery of goods across our borders, which are Canadian borders, is very discouraging and we would be very pleased to have this discussion. Perhaps you could help us in that regard.

1740

**Mr Lalonde:** I think it's very important that you are made aware of this. The last example I'm going to give you: The Perley bridge in Hawkesbury is under construction. Dufferin Construction from Oakville got the contract. The subcontractor, Chamberlain, with a boom truck, was working on the Ontario side. He was asked by Dufferin to unload a flatbed on the other side. He got two tickets of \$400 each because he crossed the middle of the bridge, and the bridge is not any wider than this building.

**The Vice-Chair:** We have 16 minutes left, and that will be the time for the third party.

**Mr Wildman:** If I could just follow up on what my friend from Prescott-Russell was questioning, and he knows far more about this than I do, surely one of the things we have to consider about this difficulty between Quebec and Ontario, and frankly between Quebec and New Brunswick as well, is that there isn't really easy mobility within Quebec. I think my friend from Prescott-Russell raised this last day. Everything is organized regionally within Quebec, and if you are a tradesman and you live in one region, you can work in that region if you have a licence to work in that region, but you can't move to another region within Quebec. Of course you can go and work elsewhere in Canada because they're not organized in the same way, but if you live in Ontario, you can't go and work in any of those regions in Quebec unless you're licensed in a particular region within Quebec.

**Mr Lalonde:** If you're Ontarian, you could go get a licence in Quebec and you could go anywhere in Quebec.

**Mr Wildman:** That's a really serious problem and that's also a problem with trucking. With regard to reciprocal agreements between municipalities and so on, it's quite different. This has been something that has plagued us for so long, and I know the member for Prescott-Russell has raised it a number of times on a continuing basis.

Just one thing I want to point out here before I go to the issue I said I would raise this time. If you look at the framework for discussion, it says that all provinces have equal status, which I characterize as a rejection of asymmetrical federalism, and then number 6 says, "If any future constitutional amendment confers powers on one province, these powers must be available to all provinces."

I think there is a potential for latitude in interpretation, shall we say, because if you look at number 5, it says, "The Legislature and government of Quebec have a role to protect and develop the unique character of Quebec society within Canada," and the premiers have touted this as a message to Mr Johnson and the Liberal party in Quebec as something they can talk to Quebecers about, going into the next provincial election there.

Mr Johnson interprets that, I think, somewhat differently from what I've heard the Premier of Ontario's interpretation to be. Mr Johnson has stated yesterday, I believe I read in the press, that he believes this will mean that courts will interpret that this confers some powers and responsibilities on the National Assembly and the government of Quebec. I don't know whether the minister wants to comment or whether she thinks it's better left unsaid. I think federalists in Quebec will have a tendency to read that to mean this is conferring some powers and responsibilities on the National Assembly and the government of Quebec which may in fact be somewhat contradictory to number 2 and number 6 on the same page.

**Hon Mrs Cunningham:** My initial response is one of relief. These are points for discussion, so there's going to be a lot said about that. I'd like to underline the fact that we know for sure that Canadians want us, the government that is, to work cooperatively, and I'm going to underline



"with flexibility," to ensure the efficiency and effectiveness of the federation. But, Mr Wildman, if you have any other observations, I'd be interested in listening to yours in that regard.

**Mr Wildman:** It seems to me that anything that is going to result in a final resolution — and I've already questioned whether anything could be final — of this long-standing, historical difficulty is going to have to be flexible and in my view will have to be worded in such a way that people with different political views across Canada will be able to interpret in ways which are acceptable to themselves. That can only work of course if there is goodwill and people across the country, political leaders and all Canadians, are willing to allow for some variations of interpretation. Of course, the courts will eventually probably have to decide if and when we finalize some constitutional accommodation.

The reason I raise that is it seems to me that those Canadians and those political leaders who say we're all the same, we're all equal, sometimes interpret that principle that all Canadians accept — well, let me put it this way: interpret the word "equality" to mean sameness. You can't talk about the diversity of Canada without recognizing that there are variations that are important and frankly, in my view, should be celebrated.

**Hon Mrs Cunningham:** These are going to be interesting discussions. I think that one thing we will learn, if people don't already know it, is that Canadian federalism is really flexible. An example would be the CPP and the Quebec pension plan and how different provinces have been able to have different agreements with the federal government. The flexibility is there.

One thing I know the premiers were stressing is that we're not talking about constitutional amendments here. I would ask Mr Wildman to perhaps give us his reflections on our Premier's statement and certainly the others as they lead up to the next election, talking about not changing the Constitution until they've got someone at the table who's interested in the unity of Canada. Just tell me what you think about that.

**Mr Wildman:** Frankly, I think that's axiomatic. Anything that is proposed at this point will be rejected by the current government of Quebec. There's no question about that. Unless you have a government in Quebec that is

interested in federalism, you're not going to reach an accommodation with regard to constitutional matters. On some matters, such as the ones being raised by Mr Lalonde, it is possible you may be able to reach some accommodation on those kinds of things.

As Mr Romanow has said, and your leader has repeated, the 80% making Canada work and 20% constitutional. If you accept that formulation by Mr Romanow, that's fine, but I think that at some point we do have to deal with the 20%. But I agree that is not going to happen until you have a government in Quebec that is interested in actually coming to a constitutional table in a serious way. They may not even be able to satisfy and resolve it then, but you certainly can't now.

**Hon Mrs Cunningham:** That at that time will be even a different challenge, won't it?

**Mr Wildman:** It certainly will be. I had some negotiations with a Liberal government in Quebec. A very ill but committed Premier took a leap of faith, over the objections of his colleague the Minister of Intergovernmental Affairs. It's unfortunate that did not lead to an accommodation which is acceptable across Canada, because Mr Bourassa at the time took a tremendous political risk. I'm not sure that was appreciated in other parts of the country. It was a challenge for him and for the premiers dealing with him at the time.

I think maybe I should leave this other matter until next time round.

**The Vice-Chair:** That's fine. You have 10 minutes, starting off tomorrow with 10 minutes.

**Mr Wildman:** I may have a problem in that the Board of Internal Economy or, as we call it, "infernal economy," is meeting tomorrow at 4 o'clock.

**The Vice-Chair:** We can accommodate you. There's no problem, Mr Wildman.

We're going to adjourn because there will be a vote. Just before we do, though, I'd like to thank the minister and her staff for their attendance. I'd also like to thank Rosemarie Singh, the committee clerk, our new research officer, Anne Marzalik, and the people from Hansard, Maureen Murphy and Greg Didiano. Thanks very much for your hard work. It's always appreciated.

*The committee adjourned at 1753.*



## CONTENTS

Tuesday 16 September 1997

<b>Ministry of Intergovernmental Affairs</b> .....	E-1073
Hon Dianne Cunningham, minister	
Ms Judith Wolfson, deputy minister	

### STANDING COMMITTEE ON ESTIMATES

#### **Chair / Président**

Mr Gerard Kennedy (York South / -Sud L)

#### **Vice-Chair / Vice-Président**

Mr Rick Bartolucci (Sudbury L)

Mr Rick Bartolucci (Sudbury L)

Mr Marcel Beaubien (Lambton PC)

Mr Gilles Bisson (Cochrane South / -Sud ND)

Mr Michael A. Brown (Algoma-Manitoulin L)

Mr John C. Cleary (Cornwall L)

Mr Ed Doyle (Wentworth East / -Est PC)

Mr Bill Grimmett (Muskoka-Georgian Bay / Muskoka-Baie-Georgienne PC)

Mr Morley Kells (Etobicoke-Lakeshore PC)

Mr Gerard Kennedy (York South / -Sud L)

Ms Frances Lankin (Beaches-Woodbine ND)

Mr Trevor Pettit (Hamilton Mountain PC)

Mr Frank Sheehan (Lincoln PC)

Mr Bill Vankoughnet (Frontenac-Addington PC)

Mr Wayne Wettlaufer (Kitchener PC)

#### **Substitutions / Membres remplaçants**

Mrs Lillian Ross (Hamilton West / -Ouest PC)

Mr Bud Wildman (Algoma ND)

Mr Bob Wood (London South / -Sud PC)

#### **Also taking part / Autres participants et participantes**

Mr Jean-Marc Lalonde (Prescott and Russell / Prescott et Russell L)

#### **Clerk / Greffière**

Ms Rosemarie Singh

#### **Staff / Personnel**

Ms Anne Marzalik, research officer, Legislative Research Service

EC-26  
E-77



—

E-49 & E-50

E-49 & E-50

ISSN 1181-6465

## **Legislative Assembly of Ontario**

First Session, 36<sup>th</sup> Parliament

## **Assemblée législative de l'Ontario**

Première session, 36<sup>e</sup> législature

# **Official Report of Debates (Hansard)**

**Wednesday 17 September 1997  
Tuesday 23 September 1997**

**Standing committee on  
estimates**

**Ministry of  
Intergovernmental Affairs**

# **Journal des débats (Hansard)**

**Mercredi 17 septembre 1997  
Mardi 23 septembre 1997**

**Comité permanent des  
budgets des dépenses**

**Ministère des Affaires  
intergouvernementales**



Chair: Gerard Kennedy  
Clerk: Rosemarie Singh

Président : Gerard Kennedy  
Greffière : Rosemarie Singh

### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.





## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Wednesday 17 September 1997

Mercredi 17 septembre 1997

*The committee met at 1549 in committee room 2.*MINISTRY OF  
INTERGOVERNMENTAL AFFAIRS

**The Chair (Mr Gerard Kennedy):** Thank you for being here today. Thank you to the minister for attending. We will resume the questions from the New Democratic Party. Welcome, Mr Bisson. You have 10 minutes.

**Mr Gilles Bisson (Cochrane South):** Thank you very much. It's always a pleasure to be at the estimates committee, a committee that's been close to my heart in all the years I've been a member.

Let's get into it, because I've only got 10 minutes in this rotation: a quick statement about what happened at the Calgary conference in regard to the constitutional dilemma we find ourselves in, and then a couple of questions.

I would repeat to the minister what I said in French earlier in the House, that I caution the minister and this government that the road to finding a solution to the constitutional problem is a really bumpy one. There hasn't been a lot of success since 1981, since the Constitution was repatriated without Quebec signing it. I have always taken the position that it should never have been done without all the provinces signing it, or else you were just asking to have happen what's happening now.

We find ourselves in a situation where because of those decisions, we have to try to find a solution. As a Canadian, I really want this process to work. It's about making sure this country stays whole for my children and their children. Like you and all the members of this committee, I believe this is a great country.

The difficulty, however, is that what is seen to be provincial responsibilities and power and what is in our Constitution are very different depending on which part of the nation you come from. I was fortunate, in the past Parliament, to have sat on what we called at the time the Silipo commission, which I vice-chaired. We travelled throughout this province and across this country to listen to what people had to say about the Constitution and what some of the solutions are.

That's where I'm leading with this. We need to have a consultation process that's meaningful and gives people the opportunity to express themselves to their provincial government so that whatever we decide to do here in Ontario resonates to the people of this province and they can take some ownership. On the other hand, I don't

think — that's the question I have of the minister — that you're prepared for an undertaking such as ours under the Bob Rae government, where we had a full constitutional committee travel this province with a fairly significant budget to canvass people. Can you give us an idea of where you want to go as far as the consultation process is concerned?

**Hon Dianne Cunningham (Minister of Intergovernmental Affairs, minister responsible for women's issues):** First of all, since I've been down here a couple of major commissions have travelled. During the Meech Lake discussions I represented our caucus, along with others, on that, and from time to time joined you on Mr Silipo's commission under the former two premiers.

It has been suggested by a few that perhaps we should consider that again. However, because many have told me they don't want to be associated with what were perceived to be the failures of the past — it might have meant not here in Ontario; we did very well — it is a time for change. We also know a little about what the public would like to be able to do with regard to talking to us, meaning all of us in this Legislative Assembly, because as the Premier said today in his statement, he's counting on all members of the assembly and certainly the two opposition leaders to help us decide what kind of process. I think members of this committee would be more than welcome. As I said at the last two sessions of estimates, we have been spending a lot of time talking about this issue in here.

There are lots of ideas. If we wanted a select committee process, that would be our recommendation to the Premier. From what I've heard so far, there will probably be many ideas. I was quite surprised to hear about the use of technology. We've chatted about it. People are talking about using the telephone, using the Internet, using their newsletters. Perhaps we would decide to have a questionnaire around the principles common across the province. There are lots of good ideas coming to our ministry, both from the public and within the Legislative Assembly.

**Mr Bisson:** One thing I learned during our constitutional committee, the Silipo commission, was that as much as people say, "I'm tired of listening about constitutional debate," and the wrangling, as Preston Manning would put it, I was quite struck that Ontarians in huge numbers participated in that process. It didn't matter if we were in Sioux Lookout or in Toronto; people wanted to have an opportunity to have their say.

The advice I give to the minister and to the Premier is that there would be, I understand, a reluctance to have a huge committee process to undertake this consultation, but you've got to try to figure out — maybe we can help — how you can do this so that in the end people feel it was a legitimate process. If this is to succeed, it has to be non-partisan. I think all of us are committed to that. We've demonstrated that a lot of times in this Legislature.

More important, in this day and age, where the public is a lot more aware and a lot more astute about what this constitutional issue is all about, we need to find a way so that people can say, "Yes, this was our Ontario process, we found our voice in this process," and that what happens in the end reflects to a certain degree what Ontarians wanted to have undertaken.

But as you mentioned before we started this hearing, people have to understand that this is not a constitutional amendment being proposed here. I am a little troubled by some of the reports I've been reading in the paper. I read Dalton Camp's editorial, as you will have done yourself, Minister, and I had some phone discussions last night with people and yesterday in my constituency about various issues, and this issue crops up. I'm hearing people talking about constitutional amendments. I think we need to be clear that this is not what it is all about. We're trying to send a signal to the province of Quebec that Canada welcomes them.

But there's a problem with that. How do we go through this process? I'm trying to figure out how to get into this without getting too controversial or partisan, but that's the problem with this debate, isn't it? The problem is that I wonder what kind of legitimacy the province of Quebec is going to see in this whole process. I'm not sure that just resolutions from all the provincial legislatures and the federal government are going to cut it. There are some real constitutional issues that need to be dealt with both inside and outside of Quebec. Skirting around this issue I'm not sure is going to solve it.

I look forward to get into this a little deeper in my next rotation, but we want to try to find a way together to work our way through this. I'm a little concerned about the tack the premiers took here, because I don't think that especially Quebec sovereigntists are going to come in droves to understand what we're trying to do here.

**Hon Mrs Cunningham:** I'm not sure, Gilles, if you've seen the three-page press release: Framework for Discussion on Canadian Unity and Guidelines for the Process of Public Consultation.

**The Chair:** Is that something you'd like the committee to have?

**Hon Mrs Cunningham:** We passed it out last time, but we have different members today.

**Mr Bisson:** Could I have another copy?

**Hon Mrs Cunningham:** Yes. Does the clerk have more copies for anyone? We'll make some for anyone who would like a copy.

I very much appreciated your views, which I share, with regard to sending a positive message to Quebec. You're right: It is going to be a challenge, but there are a

number of approaches we can consider. We know that the Ontario public has always expected their political leaders to act as a catalyst. I share your observations about the committee travelling, but there has to be a balance in whatever we decide to do with regard to public input.

The only thing that's different this time is that they don't want us to prejudice the outcome of these hearings. They are really interested in talking to us. We've all heard about people in a room making decisions with no input. Whether we like it or not, that seems to be the perception. I was shocked to see that the majority of Ontarians didn't think there had been consultation around Charlottetown. It's really surprising to those of us who were involved.

**Mr Bisson:** It was the most open process we could have had.

**The Chair:** I turn now to the members of the Conservative caucus.

1600

**Mr Marcel Beaubien (Lambton):** Minister, I'll follow along the same line as mon ami de Timmins, M. Bisson, because I think he has touched on a nerve, that unity is a very important issue. Canada is not just a good country; it's a great country. He also referred to the Silipo constitutional committee that went around the province a number of years ago. We've got to remember that Ontario is only one part of the puzzle. There are other provinces. No doubt we are the largest. I don't know how the other provinces are going to deal with the issue. Ontario can speak for itself, but we certainly cannot speak for the rest of the country.

I was looking at a speech you delivered, Minister, on June 2 at the Canadian Club of Toronto. On page 3 it says, "Let me begin with our first guiding principle." Then you talk about rebalancing the federation, and then further on, "We must bring government closer to the people." Then: "I am not talking about devolution of power, of handing over all responsibility to the provinces. I am simply saying provinces can and should have more responsibility for the design and delivery of programs that are either provincial, or share federal-provincial jurisdiction." Then: "The dialogue must take place in the spirit of consultation.... The new federal government must come to the table...." Then you talk about specifics. You were talking about the national child benefit.

I think there's a parallel when you talk about the new federal government. I look at the leadership and at the process that has been going on at the federal government over the past couple of years and at the present time. If we look at the referendum that occurred in 1995, I think the Prime Minister of Canada had his head buried in the sand when he said in his own riding that there was no difficulty with regard to the separatists carrying the vote. As I recall, I think the separatists did win it.

**Mr Bisson:** They didn't win it.

**Mr Beaubien:** Well, in his own riding. It was very close province-wide, but the separatists won Chrétien's riding. How do you propose to proceed? I think it's a very difficult, sensitive issue that we're dealing with. I'm certainly not a constitutional expert. I'm from Quebec



originally. How do you propose to proceed, from Ontario's point of view, to deal with the issue, to try to sell, as the Prime Minister would say, the little people of Shawinigan or wherever else? Have you got a process in mind?

**Hon Mrs Cunningham:** I'll go back to the beginning and a story I've often shared with my colleagues about the very first meeting I attended, the annual premiers' conference, a few weeks after becoming minister, in St John's in the summer of 1995. It was clear to me at that time that there was a group of premiers and territorial leaders, I would add, in that room who seemed to be very unhappy about the way the federation worked. Although there were different issues, one issue permeated most of the conversation informally and definitely the agenda of the meeting: that as premiers and territorial leaders they were truly focused on providing good social programs during times of tremendous, unprecedented change across the country.

What intrigued me at that time was that here was a group of people of all political stripes who had the same agenda: how they could provide programs more effectively and efficiently to their citizens. Their frustration at that time was put out in the form of a consultation document, which was quite inclusive, by the province of Newfoundland. It was called Social Policy Reform and Renewal. I said to our Premier: "Do we just walk away from these meetings and nothing ever happens; it's kind of a bit of a show where everybody gets together and there's no action? If that's the case, we shouldn't really be very interested in participating in this kind of a process."

That thought must have gone through the minds of others, because they focused on that social policy change and renewal. It was interesting to note that the Premier of Quebec at that time, Mr Parizeau, was keenly interested in that discussion. That's an area where the province of Quebec has made significant headway in their discussions with the federal government, and that is the whole issue of rebalancing, trying to decide which level of government should deliver what program, obviously according to not only the Constitution but to the traditional patterns that had taken place over the years in the whole area of social services, which of course is the jurisdiction of the provinces. Everyone was complaining about overlap and duplication, about not a very timely response from the federal government, not just that year but in many years past.

This is not new. This is probably a 30-year problem. Over the years, different levels of government have gotten into the business of doing the work of another government, much to the chagrin of the citizens, who have a hard time figuring it out anyway.

Certainly we were challenged as elected representatives to do something. Sometime during the meeting, the premiers decided that would be their focus. They had to find a different way of working together, because when they didn't work together, the federal government had managed to divide and conquer and cherrypick whom they were going to deal with for whatever reason they needed to do it. I'm not being disrespectful. This is something that has

evolved over a long period of time and it's something that we as a country want to see work in a better way.

In response to your question, therefore, as you look at the seven principles which some of you will have in front of you, you will notice that the rebalancing initiative is there as part of the Framework for Discussion on Canadian Unity. It shows up in item 7, where we talk about a federal system where we actually respect each other's jurisdictions: "Canadians want their governments to work cooperatively and with flexibility to ensure the efficiency and effectiveness of the federation." That's what rebalancing is all about. "Canadians want their governments to work together particularly in the delivery of their social programs. Provinces and territories renew their commitment to work in partnership with the government of Canada to best serve the needs of Canadians."

My observation on the work we have done over the past few years — the past two years, to be exact — is that I think there are many times when the province of Quebec would love to be at the table with us. In fact this year, at my third meeting, Mr Bouchard did sit in on the session on social policy, because they are extremely interested, which was I think somewhat encouraging. I'm not overly optimistic, obviously, in that regard, but he does represent all of the citizens in Quebec and they too want effective and efficient programs.

That is one of the principles we will have some discussions about during whatever process we all decide on together. It's an opportunity for the citizens to talk to us about their concerns and ask us questions about how we can work better together and with the federal government.

The other piece is the piece with regard to Quebec. Again, we're looking at the fifth principle with regard to the framework. It's interesting because I'm always asked about the unique character and it describes it here: "In Canada's federal system, where respect for diversity and equality underlies unity, the unique character of Quebec society, including its French-speaking majority, its culture and its tradition of civil law, is fundamental to the well-being of Canada."

I think it was Mr Romanow this year at the annual premiers' conference in New Brunswick who stated, "The time has come when we as premiers and territorial leaders have to give leadership to the constituents that we represent in sending a message to the people of Quebec that we want them to be part of Canada and that we want to work with them." Basically that, I think, is what they decided to do, and thus the meeting in Calgary and thus these principles.

#### 1610

I think it's a two-sided approach, but the rebalancing and making the country work better and more effectively and efficiently has definitely been the priority for the past two years. The time has come, because we see the opportunity in Quebec. I too have difficulty in being anything but respectful of a choice that people make, but the truth of the matter is that we will have opportunity to influence a different government perhaps, or influence the government of the day with regard to hoping they will focus on



working with the other premiers and territorial leaders for a united Canada.

**Mr Beaubien:** I'd like to follow up on that. I think Mr Bisson alluded to the fact that a couple of years ago the Constitution committee travelled across the province to get feedback from Ontarians.

No one can argue with the framework. I think the framework is excellent. I think it recognizes an awful lot of things that should have been recognized a long time ago, or at least put on paper.

But what I'm afraid of is that we seem to be talking about government or opposition, but the power of the ballot: How are we going to get to the person who puts the tick? How are we going to convince that person who has been taught in school for the past 15 years, 20 years, five years that separatism is the order of the day, that Quebec has received a bad deal? Let me tell you, it's not only in the schools, but it's been entrenched in the Quebec community, in the social fabric for a number of years. How are we going to turn that around? How can we go on? Basically you almost have to fight it one on one in order to make sure that we're successful at the end of the day.

**Hon Mrs Cunningham:** The guidelines for the process of public consultation took into consideration the huge challenge that we all have and, as individual elected representatives, we have an equal challenge in this regard.

A government member has no more of a responsibility here than anyone else, but we collectively have to find a way to get the message out. That's why we basically understood — it isn't that we didn't do some discussions in the last two years. You were at one of the speeches where we had huge numbers of feedback, and that was: "We want to be involved this time. We want to be part of the solution."

So they decided that the consultation is going to be open to the general citizenry, that efforts should be made to find creative ways of engaging Canadians in each provincial consultation process, and each of us has to think about that. We've had some discussion here today. By the way, these meetings are extremely helpful to me just in listening. Our time is so valuable, but the members are giving us some good ideas.

"Governments should act as catalyst for the process of consultation," so we do have responsibility; we cannot shy away from it.

"It is acknowledged that provinces and territories may wish to have processes of consultation in stages but the advantage of a coordinated time frame is recognized." The premiers all knew they had to have some time frame. The time frame for us at this point is that the premiers have decided to make a progress report to each other around January 10. That doesn't mean to say that we in Ontario have to finish our work, but we do have to have some kind of report for the premiers in January.

"Each province and territory is free to decide on the range or scope of consultation as well as the appropriate mechanism for consultation." I think that's why we have to consider here how we can carefully approach a topic

that is extremely complicated. The whole issue of rebalancing itself is complicated.

Someone already mentioned devolution of power. We would be the first — I would especially be the first — to say that we're not looking for more power at all. We're looking to exercise our responsibility in program delivery; not to take away anything, but to be responsible in providing programs that work and do not waste the taxpayers' money.

As we talk about that, clarifying the roles and responsibilities is a practical solution to our unity problem. It's been one of the centrepieces of certainly the Ontario government's priorities over the past two years. I might add, as long as I've been at Queen's Park, which has been almost 10 years — I can't believe it — it has been the priority of other governments as well. This is not new. It flows out of our central concern with increasing the efficiency and effectiveness of government.

You're correct; how do you get the message out? When we speak about this, people are quite surprised that the Ontario people are not as well served in some regards with our resources that we get from the federal government. The government needs to work smarter and better and we need to eliminate the costly overlap and duplication. Then we'd be able to manage our areas of jurisdiction without unwanted intervention from the federal government.

I'll only close by saying that one of the most confusing pieces that all of us will have to face during our discussions, and we should also talk about how we can educate each other, is the whole idea of national standards. All governments want national standards, but there's a difference between national standards and federal standards. We want to be there as they are interpreted, and that's our responsibility.

You're right. These are very difficult messages, but I think somehow we have to decide how to give the public information they can respond to.

**Mr Beaubien:** Just a last comment: Good luck. And to Mr Bisson, I appreciate the fact that you pointed out that you're looking for a way to help in a non-partisan way, because I think this issue is beyond politics. I commend you for that.

**The Chair:** Are there any further questions?

**Mr Wayne Wettlaufer (Kitchener):** How much time do we have, Chair?

**The Chair:** You have two and a half minutes.

**Mr Wettlaufer:** I'm a man of few words, but I don't know if I can get them in that quickly.

I'd like to go back to the question raised by M. Lalonde yesterday and the day before, namely, the situation with the Quebec border construction workers and transport workers. Maybe Mr Sheehan will want to participate in this as well because I know Mr Sheehan was the president of the Registered Insurance Brokers of Ontario, which had a similar problem.

I don't necessarily advocate taking a tough stance with Quebec. Nevertheless, about 16 or 17 months ago I participated in the Partnership of Parliament discussion with M. Lalonde and M. Grandmaître in Hull, Quebec, and this

was the hot topic of discussion. At that time, the Parti québécois members were asking what position we should take, and I expressed to them that I thought the ball was clearly in their court.

They have not taken any action whatever in the past 16 months or thereabouts. I was wondering if we have considered taking a tougher stand with the province of Quebec. Maybe Mr Sheehan would like to add something.

**Hon Mrs Cunningham:** Maybe Mr Sheehan can do that now and then when I get an opportunity, when the Chair tells me I can talk, I'll try to — if there's anything you can add to that.

**Mr Frank Sheehan (Lincoln):** No, the insurance brokers had a problem along Ottawa-Hull. The Quebec brokers, how they were governed, had a requirement that the Ontario brokers doing business in the Gatineau Hills and what have you had to be licensed, had to maintain premises, had to maintain trust accounts. They had to set it up full blown, even though they would be insuring a cottage as a secondary residence on a homeowner's policy, the homeowner being based in Ontario. They also had various and sundry fees that amounted to close to \$300 or \$400, whereas our licensing fee was \$100 and you got an out-of-province licence and no big deal.

The thing just kept getting worse and worse and the dollars kept going up and the requirements getting tighter and tighter. We'd written to them and they said, "Oh, yes, we're going to do something." Finally, what happened was we sent the manager down to Quebec and said: "Here's the word. You'll fix it within the next six weeks or six months," whatever the time frame was, "or whatever you're doing to the Ontario brokerage we're going to do it to you times two." Suddenly, it was fixed.

1620

**The Chair:** I'll leave you with that thought for the next round with the Conservative caucus. By mutual arrangement we have the New Democratic caucus and then we'll come back to the Liberals.

**Mr Bisson:** I apologize, but I actually have to go and do an interview on this whole issue, along with two other of my legislative colleagues, with the CBC.

I have to ask this question because it needs to be clarified for me. That is in point 5 of the framework discussion, when you're saying, "Consequently, the legislature and government of Quebec have a role to protect and develop the unique character of Quebec society within Canada." How much of a role?

Let me be specific, because I don't have time to play around this one. Under such language, whatever this language would lead to, would it allow, for example, if we were to turn the clock back to the days of René Lévesque, for the introduction of the French language law in Quebec? Would the National Assembly have that right?

**Hon Mrs Cunningham:** That's an interesting question. I think the way you could probably express it best if you're asked that question is to let the public of Ontario know, because that's who you're going to be talking to, that this is a framework and however they want to interpret — as I had this morning lots of questions around the

unique character — you and I are there to listen. This is what the premiers want to hear about. You might have your view which you could express, but others may have a different view.

**Mr Bisson:** But what I need to know desperately, is it still the position of Ontario that Quebec has paramountcy when it comes to the issue of language rights in the province of Quebec? The question I have to you is, would this be interpreted to mean that the government of Quebec at the National Assembly of Quebec would have paramountcy over issues of language in their own province?

**Hon Mrs Cunningham:** First of all, it isn't up to you and me to interpret what this means, but it was never intended to take away anything from Quebec, but to recognize — and I think you have to be careful — their diversity.

**Mr Bisson:** I've got to do this quickly because I've got to leave in a couple of minutes. But the problem is, just to put it clearly, Quebec will not sign on to the Constitution because if they sign under the present arrangements that we have, they would not have paramountcy in this area.

You're suggesting — and this is a very intriguing approach that the Premier has taken, which I support to a certain extent — that they're trying to find some way of saying that Quebec has a distinct society without really saying that. I'm trying to be as non-controversial as I can here.

If Quebecers are to sign in, obviously one of the things they demand — it has always been the cornerstone of their demands — is to have paramountcy over French-language issues in the province of Quebec. Is it the position of Ontario that Quebec would still have that paramountcy? In other words, it would be recognized in the Constitution that they have paramountcy in that area.

**Hon Mrs Cunningham:** It would be interpreted within the Charter of Rights. It was never intended during the discussions to add or take away the rights of Quebecers. I cannot talk about or cannot tell you anything more than that with regard to the former government's or our government's interpretation in that regard.

**Mr Bisson:** That's the problem, and you understand where I'm going with this. We need to be working at this together, but I need to understand what the Ontario position is. That's where I'm a little bit at a loss right now, because it's been since the Peterson government and the Rae government that Quebec does have that right, and if they were a signatory on to the Constitution, they would keep the right. In other words, it would be entrenched in the Constitution, where it is not now. So what is Ontario's position?

**Hon Mrs Cunningham:** I think I've explained our position now, but after this consultation we may have an opportunity down the road at some time, which you and I can only guess at, to take a look at changes to the Constitution. I think that's what you're getting at.

**Mr Bisson:** What I'm getting at is, what's Ontario's position?

**Hon Mrs Cunningham:** It's not to take away or to add rights.



**Mr Bisson:** But it would be to give rights. If Quebec were to sign on to the Constitution and we were to accept their demands around distinct society under Meech Lake, it would mean that Quebec would have paramouncy in that area. Is it still the position of Ontario that they have paramouncy? That's the problem.

**Hon Mrs Cunningham:** I would answer the question in this way: One of the great controversies of the words "distinct society" was the perception that Quebec would have more rights than other provinces.

**Mr Bisson:** I understand that. The problem is that if you're saying, "While all provinces, while diverse in their characteristics, have equality of status," "distinct society" doesn't necessarily mean that.

**Hon Mrs Cunningham:** That's true. But if you go a little further down, to number 6 — you've looked at that too, haven't you?

**Mr Bisson:** I have.

**Hon Mrs Cunningham:** "If any future constitutional amendment confers power on one province, these powers must be available to all provinces."

**Mr Bisson:** It may not necessarily be the right thing for Ontario. I'm trying to understand what the position is.

**Hon Mrs Cunningham:** I cannot speak for the province right now, because this whole purpose —

**Mr Bisson:** But you're the Minister of Intergovernmental Affairs. I don't want to be combative, but I have to go out and do media interviews around this whole issue and I certainly want to make sure we speak in a unified voice. To do so, I need to know what the Ontario position is when it comes to what used to be called "distinct society."

**Hon Mrs Cunningham:** Ontario would not have a position, given what you've just said to me. That's why we're out talking to the public. I would actually take a position —

**Mr Bisson:** Then that's a weakening of the position as it was prior to 1995.

**Hon Mrs Cunningham:** You're talking about Meech, you're talking about Charlottetown? The public of Ontario then, you can say that, did sign on to Meech and did sign on to Charlottetown.

**Mr Bisson:** And it is still the position of Ontario that Quebec has paramouncy in those areas.

**Hon Mrs Cunningham:** You don't know that. Two former governments signed on.

**Mr Bisson:** All right. I've got to run for another debate. I'll be back a little bit later.

**Hon Mrs Cunningham:** Thank you. But I think you could make that point, that it has been our tradition.

**Mr Bisson:** Hopefully it is still the position.

**Hon Mrs Cunningham:** I think it would be fair, but be careful not to speculate too much.

**Mr Bisson:** I'll try not to.

**Hon Mrs Cunningham:** It's not easy.

**Ms Annamarie Castrilli (Downsview):** This is a unique situation.

**Hon Mrs Cunningham:** It is.

**Ms Castrilli:** The minister in one government is giving advice which is being taken by a member of the opposition party. Wonderful.

**The Chair:** Continue, Ms Castrilli.

**Ms Castrilli:** Thank you. I'm very happy to be here. I was detained in the first two sessions, but of course this is an issue which is very much one that I care about.

One of the things that many forget is that there has historically been a tension among the provinces and the federal government, even before there was a federal government, since Canada began. It has been sometimes an easy tension to bear and sometimes an uneasy tension to bear, but this is by no means new. It is new that in the latter end of the 20th century we've become much more anxious about trying to find the final solution. The problem with final solutions is there's never a final solution, so we will do our best to muddle through this in the hope it advances the country, it evolves the country and unites the country.

I am reminded of a whole lot of efforts we've had in the last little while. The Meech Lake accord certainly was one of the first big ones that I was involved in. It may interest the committee members to know that the Conservative members on the select committee — there was a Liberal government at the time — were Mike Harris and Ernie Eves. They wrote a minority report which I would commend to you. You should read it. It's very interesting.

We then went on to Charlottetown, and prior to Charlottetown had both a select committee that travelled the country under Mr Silipo of the NDP, and an Ontario in Confederation conference at Hart House which was supposed to be a kind of model constituent assembly. It sought to bring representative individuals — there were about 300 people, I think, who came here for three days — to discuss a whole host of issues and some very, very good work was done. A report was prepared.

Each time we've gone through these very significant exercises, the result has been lots of energy, lots of time, lots of effort, lots of paper, all of it shelved. I can personally feel the frustrations of Ontarians who are saying, "Here we go again." The first time it was hopeful, the second time not so, and the third time — I hope it's not greeted with cynicism. That's the concern I have.

I say that because I believe it's incumbent on us as legislators to make sure we don't feed that kind of cynicism that may inevitably come about.

1630

I'm fascinated by this Framework for Discussion on Canadian Unity. I think it's being interpreted in many different ways. It's quite a fortuitous circumstance that we have estimates and we're able to speak directly to the minister for so many hours on this issue. There are people who will look at this and say, "This looks pretty substantive to me."

Where would you put this in the Constitution? Are we looking towards a constitutional amendment? Is it just part of an interpretative clause that we would add to the charter, for instance? Is it something more? Is it just principles upon which we will then build language, which has to be



negotiated and accepted and voted on and the whole process it takes for Constitution making? That's what I'm truly trying to understand here. As principles go, there are things I like and things I don't like. I don't doubt for a moment the good faith that was put into this document and the real urgency some of the premiers feel in trying to resolve this issue again.

I said in my statement in the House, and I believe this to be the case, that we've got to be really careful we do this in an appropriate fashion, without creating any hysteria or cynicism out there. There's no constitutional crisis. This is the time to get it right, and the way we get it right is not to rush it through but to do it thoughtfully and to bring people on board and engage them bit by bit.

One of the problems we already have is that virtually every government, except for Bouchard, and all political parties endorse these principles. Forgive me for saying that this was precisely the problem with Charlottetown. It was viewed as élitist government that therefore couldn't find any resonance with the people. I say that because I suspect that if we try and rush through this process, we will be saddled with some of the same deficiencies we had in Charlottetown. We won in Ontario but we won by the very slightest of margins. How you can call that a victory — I called it a victory. I was in the room when the votes were announced. We had worked very hard and we wanted it to be a victory, but realistically even in Ontario it was not a significant win.

Because what I see in here is a fairly lengthy process and because what I see here is a process that's open to all kinds of interpretation, I'd like to get a sense from you, Minister — you've said, for instance, that there's going to be a progress report to the premiers by January 10. I don't know what "progress report" means. I thought I heard the Premier say earlier that he wanted this whole resolution passed by the House by December 31. I'm having some difficulty understanding how we do that. I'd like to have some clarification on that. I'd also like to have clarification as to what you think are the steps we now follow.

**Hon Mrs Cunningham:** Obviously it's a stage-by-stage process, and we've begun the stage this week, all of us. Our expectation is that we'll consult with the public and we'll all decide what that consultation process should be, probably within the next couple of weeks, and the Premier will decide what kind of committee — it may not even be a committee, but it's going to be something with the three parties.

Then we'll talk, I think, to the public, but we're going to have to bring them along with us and we're going to have to do that very thoughtfully and carefully, because all of us are very nervous about, as you say, cynicism. We're nervous about not having a successful conclusion. The conclusion may be, depending on how the process goes, stage by stage, and I believe some committee of some type will be struck, and the three parties will decide at what point we report to the Premier and in which way. I didn't hear him say that there was a resolution, but he could have, because that would be one of the processes we could

work on. In the end we will probably have to work towards some kind of resolution in the House.

I'm not sure of the timing. The result of all our work, of course — we're focused on making a statement, not only here in Ontario but across the country, to the people of Quebec. I would say that as constitutional change goes, I wouldn't quite call it a crisis, but we do not want to be accused, any of the premiers or provinces or territories, of sleepwalking into the next referendum. The timing of the election in Quebec hasn't been decided but it could be this spring; it could be next fall. If we can influence the government, no matter who's elected, we would truly like to avoid a referendum, because many of us were very surprised at how close we came to not having a united Canada in October in Quebec. It was a very close call.

I know the premiers have said over and over again that their constituents are looking for leadership, that basically the constituents of the provinces and territories want a united Canada. How we get our message to Quebec that we're sincere and that we're serious, that they've been part of our country, our history, an exciting part of Canada — we in Ontario can especially attest to that because our own children visit back and forth as part of their school trips and exchanges. They have enriched our province and our country with their culture and their diversity, as we hope we have done with them.

I see this as a step-by-step process culminating eventually in influencing somehow — the premiers want to do that — the citizens of Quebec to stay in Canada. As far as the time goes, I don't feel particularly pressed and I don't think the Premier does either. We're going to have to allow the citizens to take the time they need to speak to us.

**Ms Castrilli:** Could you talk a bit about what you think the status of this framework for discussion is? At the moment it's just an agreement on some principles between the premiers. By the way, I have looked at these principles in the light of things we've drafted before. It may interest you to know that the first five have some bearing to the Canada clause in Charlottetown, and the last two you could potentially call new. I remember the discussions around the Canada clause that eventually became part of the Charlottetown document at the conference of Ontario in Confederation. People desperately wanted these issues in, and then ultimately we went to Charlottetown and it failed for other reasons.

At the moment it's just an agreement. You envision a process of consultation, I take it, and then some sort of ratification by the Legislature. You wouldn't foresee some legislation, for instance, after that. Following that, what happens? Does this then become the interpretative document or is this the document that is actually going to be part of the constitutional change?

**Hon Mrs Cunningham:** This was the framework for discussion that the premiers have set out for us to decide and design a process around. As minister I have to be very careful not to preclude the results of those discussions. I've tried to talk to you about how I feel the process may evolve, but I'm sure we'll be giving some kind of an idea to the Premier in the next little while with regard to the

process itself. I think we'll have to take stock of where the public seem to be at over a period of time before we decide what we would recommend to the Premier. I know he's particularly open minded and sincerely interested.

**1640**

I think Mr Beaubien earlier said it's quite the challenge, because this is a very complicated framework with a set of priorities in it. I'm interested to hear from you, as you know. I was interested in hearing your observations around the first five points because I too share your views that there's some similar language in there.

We've got lots of precedents to look at with regard to processes over the past 30 years —

**Ms Castrilli:** All of those failed.

**Hon Mrs Cunningham:** Well, the very first conference I was involved in, and I date myself here, was the Pepin-Robarts commission.

**Ms Castrilli:** You were a student at the time.

**Hon Mrs Cunningham:** I hate to tell you, I was a mother at the time with a daughter in secondary school who took advantage of the process. It was a happy process. It was a process where basically the constitution was explained and debated, not for the purpose of change but for the purpose of influence. In the end it was up to the Premier of Quebec and the Premier of Ontario to show leadership during a time of crisis at that point.

What's interesting to me is I've taken a look at some of the results of something they didn't have at that time, the polling. The polling has changed significantly in the last 10 years in favour of the separatists. Many of us have access to that through our public newspapers and it worries us that it seems to be so divided in Quebec right now. That's why I think there is a sense of urgency around timing because a few months or a year is not very long to make a difference.

I think you're quite correct, that there isn't a sense of urgency around listening carefully and thoughtfully and getting the message out. That's an advantage we have. Because we're not looking to constitutional change at this time, there isn't the same kind of — what should I say — urgency to put so much out there before the people that they become totally confused.

The message here is to influence in any way we can our neighbours in Quebec, and to let them know that here in Ontario — I'm very optimistic, not even cautiously optimistic, that the message will be a resounding open mind and open heart. We've experienced it in the past. I have no reason to believe we wouldn't again.

In the end we will be in government, all of us together here, in this Legislature, during this challenging time. If we can be thoughtful and can help educate the public as we did during the Pepin-Robarts commission, in our schools, in your own communities — you'll know best — and if we as the committee at some time, whoever we are, can ask not only our own officials who have had lots of experience, some of them advising the former two governments, and maybe longer than that, I think we'll do a great service, because we are in public service in this

regard to our constituents with regard to some choices we have as a country.

**Ms Castrilli:** Pepin-Robarts of course had a good process. I think an even more successful one would have been the Spicer commission, but in the end those reports didn't go very far. That's what I mean. In terms of the results, they've not changed the situation. It may have heightened some people's perception of the difficulties.

You've said that you're not looking for a constitutional amendment, and I take that to mean you're not looking for a constitutional amendment through the document, but that eventually, you would be dealing with a constitutional amendment. If that's not the position, I wonder —

**Hon Mrs Cunningham:** I'll give you a resounding "maybe" there. If we're successful, yes, but it will be with a government in Quebec that's looking to change the Constitution so they can be a full, participating partner. This will be across the country; not just here in Ontario. It's interesting that the territories are so involved as well.

It's a good feeling in Canada right now. We have an interesting, unique group of premiers that have been able to come together in this regard at this early stage. The challenge that they have is to guide this process as leaders, because in this time, across the modern world, the citizens have lost confidence in their politicians, all of us. They've lost confidence in the democratic process. They are tired of being told what to do and they want an opportunity to let us know how they feel about the country. We may have even other good advice, if we listen carefully, with regard to the future of Canada.

These premiers have a huge responsibility at probably the most important time in our history. As I stated before, we came so close to losing our country as we know it, just very recently.

**Ms Castrilli:** If this is not an offer for a constitutional amendment, I wonder what value you believe a resolution such as this, even passed by all the legislatures outside Quebec, would have for the people of Quebec?

**Hon Mrs Cunningham:** The people of Quebec, we've learned, have the same concerns with regard to the initiative of rebalancing as we do. We could probably learn something from them. They have made some gains with regard to their training agreement, for instance, with the federal government; with regard to their own pension plan; with regard to their immigration agreement. They have some agreements with the federal government that others of us would work towards achieving.

At the same time they are appalled at the interference of the federal government as they not only endeavour to sometimes deliver programs that the government and people of Quebec feel are their responsibility to deliver and therefore be accountable for, but they also share the concern of the other provinces with regard to what I would call the unilateral decision-making around the federal spending power; that is, how much money they may give you and whether they agree with your interpretation of standards.

**The Chair:** Thank you, Minister. We now turn to the Conservative round.



**Mr Sheehan:** Minister, I just have one concern that I think you have to put into the equation when you're talking and carrying on these consultations. English Canada, or non-French-speaking Canada, has a problem with an overabundance of francophones in the federal civil service. There's a host of statistics available, but there's a disproportionate representation there.

Similarly they wonder, and we had a classic example in St Catharines, about the willingness, I'll put it this way, of the Ontario bureaucracy to accede to their requests. There's something about you must provide schooling or something, if the population is 5% above, or something along those lines. They started to put in a high school in St Catharines. They didn't have the population to support it but they gave it to them anyway. Notwithstanding that there was about a 20% or 30% used new school in Welland, they allowed them to create this portable-type school in St Catharines, and then they found they didn't have suitable land so they moved it to the other riding, anyway. They took it right out of the area.

Manifestations like that upset and bother non-French-speaking people, and I think you should put that into your mix. It should be in your considerations because if you don't address it then you're not going to those conversations with a balanced perspective. That's just a comment. You can comment on it or not.

1650

**Hon Mrs Cunningham:** I think you're talking about the French Language Services Act, Bill 8. That's a piece of legislation that was introduced during the government of Bill Davis and was revisited during the government of David Peterson. There are certain criteria that actually relate directly to the population of francophones in communities and there's a designation according to numbers of public services that should be provided in French.

It is not only a charter obligation, so all provinces have responded, but I find that the frustration we get as individual elected representatives across the province has more to do with how the interpretation of that act and some of the actions of different levels of government respond to our commitments under the law. If you and I had some conversation around individual circumstances like the one you've already talked about, that may have been dealt with in a different way in another community, even given the same regulation or the same requirement under any provincial law that is basically responding to the conditions of the charter.

**Mr Sheehan:** I have to disagree. Attributing it to Mr Davis does not make it any more palatable.

**Hon Mrs Cunningham:** That was only to give us a time frame.

**Mr Sheehan:** He was not one of my patron saints of Conservatism. It is the disregard for the specifications of the law that caused the aggravation. In the particular one I'm citing it was a matter of spending valuable tax dollars, that we didn't have, to provide something — they gerrymandered, if you will, the population figures. Just to give you a demonstration, they denuded one of the elementary

schools of 7 and 8 to attribute these people — to get them up to some magic number. They gave about 106.

The crowning insult was that this was to be a St Catharines school and they put it in Welland. There was already a very lovely school, one of these classic, early no-brains-spending, architecturally designed institutions. Here this thing continues to be empty and they have this collection of portables. I think that kind of thing does no one any credit. They started out to spend about \$150,000. At last count I heard it was close to \$2 million and they had some portables.

I think we can have all the high mind we want, but when you continually disregard your own rules and regulations, you just discount the whole process and the rest of the world seems to say, "Let them do what they want."

**Hon Mrs Cunningham:** To add to what I already said, and I think we're both saying the same thing, all of us have certain guidelines or standards that we want to meet in almost every walk of life. If they were there for that school board, the fact that they did not respond effectively and efficiently doesn't assist when we're looking at what one would call fairness. In fact, it makes the situation worse.

In my experience over a period of time, when we have exceeded what was reasonable, we've offended the public and the taxpayers. We haven't exercised our responsibilities with care, and I think that is one of the reasons the public is so upset. I could give you other circumstances that have nothing to do with some of our French-language schools but other schools that you and I have had opportunities to discuss. I can tell you that as many of us sat on our committee that looked at New Directions for education, we did learn one thing: When we have visitors from around the world to our education system, and we do, because our systems are exemplary, especially compared to where some of our visitors come from, the one thing they say right off the top is that our buildings are magnificent in most instances.

Parents who have their children going to school in portable classrooms would not agree with what I just said, but on some of the buildings we have put our money into — I'm on public record as saying that — we could have been more responsive.

**Mr Wettlaufer:** I wonder if we could have the minister's attention focused to the —

**The Chair:** The question you raised?

**Mr Wettlaufer:** Yes, that we had earlier.

**The Chair:** That was the transported labour.

**Hon Mrs Cunningham:** If you'll bear with me in this regard, we had a short discussion yesterday about labour mobility between ourselves and the province of Quebec. We are also concerned — we talked a little bit about that on the first day — about that national mobility initiative. It is a key issue with regard to our provincial/territorial council on social policy. We haven't given it the kind of attention we should have given it. All these examples that are being brought to our attention now are being documented. I'll have to talk to some of you individually.



But the premiers this year — we would have done more work on this, but we've had our work cut out for us — stated really strongly to the ministers — those of us who are responsible, but then other ministers who must take on this responsibility — that Canadians should be able to move freely throughout the country without the barriers based with residency. One of your examples talked about a residency barrier.

They said that the unilateral cuts to the CHST — because of health care, people moving back and forth, and we've had some examples in the House recently where people haven't had the services they need or they've been questioned by another government within our country — have been used, in my view, sometimes as an excuse, but more readily haven't assisted us as we try to support this mobility that we want within our country. The federal government will often enforce mobility provisions — we saw this in British Columbia around social services — with a unilateral decision and not a serious discussion with the provinces involved through the CHST residency requirements and the portability of the Canada Health Act. Those are examples we're using right now.

Some that you gave us today, Mr Wettlaufer: We're going to have to think about them and get more information from you and see if that can't be part of the provincial/territorial council's review, because we have been asked to focus on that as part of our deliberations this year.

**Mr Wettlaufer:** I have one concern when you talk about the federal government taking steps in so far as BC was concerned. The federal government seems to be quite willing to take steps with any province except the province of Quebec. I think it would behoove us not to wait for the federal government to take action.

**Hon Mrs Cunningham:** That's why I'd like to add that this has been on the agenda of at least one meeting that I'm aware of, maybe two, between our Premier and Premier Bouchard of Quebec. Examples are of great assistance.

**Mr Ed Doyle (Wentworth East):** Thank you very much for giving me the opportunity to talk to you. I was speaking to a group of senior citizens at noon today here in Toronto. After a brief talk of about 15 minutes or so I opened it up to questions and was quite amazed to find that in the time that was left for perhaps six or seven questions, five of the six were on unity, every one of them. I wasn't prepared for that, I was prepared to be answering questions on other issues, but I thought it might be of interest to you in light of what's happening these days. The idea of a consultation at this time is quite timely.

1700

I'd like to mention, in the brief time I have, a couple of the questions they asked or opinions they offered. Since Ontario is the most populous province, it carries some weight. Perhaps we could be a little more forceful in our views as far as unity is concerned. Some of the people who were there felt that Ontario's position should be put forward a little more forcefully and perhaps it could be clarified as well. I wondered if I might have some of your

comments on that at this point before I carry on with some of the other comments they had made.

**Hon Mrs Cunningham:** This is very helpful. We are all now able to listen to what the concerns of the public of Ontario are. I'm wondering, when they talk about being forceful, what they were really talking about. Are they talking about the upcoming discussions? Are they talking about the end result in how we express ourselves as elected officials in our message to Quebec? What were they really —

**Mr Doyle:** I think their feeling was that as people in government, as elected officials, perhaps we could be showing some more leadership. This is the interpretation I placed on it.

**Hon Mrs Cunningham:** Then in response to that, the premiers must have been listening to that group some time in August, because it is timely. It wasn't anticipated, when we went to the annual premiers' conference — and you'll remember the hoopla before it — that there were different groups trying to influence the premiers with regard to taking a stand on the issue of unity. It wasn't on the agenda, we did not have delegations at the conference, so I think, Ed, that they felt it.

They must have been listening to their own public and they know, all of us know, that Ontario has had to work to get a consensus with the other provinces at the annual premiers' conference — we've worked together; we didn't take a lead more than anybody else — or in Calgary to eventually say, "Our focus should be on listening." This is good, and where do we go from here? We also have to have some forceful input in the end with regard to what kind of statement we make. The premiers showed tremendous leadership as they sat together for a day, a few hours. They were obviously well prepared, knew what they wanted to do and had done some informal discussions in advance, which means they put a priority on that meeting.

Those seniors you were talking to, certainly here in Ontario, saw Premier Harris show some significant leadership and enthusiasm for this whole issue of unity and for his tremendous support of a united Canada. As others have pointed out, during the last two rounds of constitutional discussions he has been extremely involved.

**Mr Doyle:** Another point I'd like to mention here: Yesterday Premier Bouchard responded at a news conference to what had happened on the weekend. I'm not too sure that what had happened in Calgary didn't have some influence on him in some way, judging by his response. I think we have touched a nerve here. I think we have pointed out to Quebecers that we care, not just in Ontario but across the country. I'm wondering if you have had any behind-the-scenes reactions rather than public reaction. Or am I asking you to say something that you shouldn't be saying?

**Hon Mrs Cunningham:** I absolutely don't mind. I think that all of us will have our own interpretation there. I thought you stated it better than I could ever begin to express it. Yes, there has been a nerve touched. I said it before and I'll say it again: I think sometimes Mr Bouchard would be extremely excited about what the

premiers and territorial leaders are attempting to do: to renew the federation, to make it more effective and efficient and to take a look at the rebalancing, which has been a tremendous focus of the government and people of Quebec. They're ahead of us.

He sees us embarking along a road together and united that I think he would like to have been part of. The flexibility piece of how our governments have worked together and number 7 in the Framework for Discussion on Canadian Unity would interest him considerably. Canadians want their governments to work together; they want us to work with flexibility to ensure the effectiveness and efficiency of the federation. Maybe he was feeling envious. That's the optimistic side of me speaking.

On the other side, he has a mandate. His mandate, whether we like it or not, is to separate from Canada. He's a separatist. As much as we work well with the province of Quebec — although I've learned in these hearings that we could be working better — his focus is not our focus. Therefore, as I said earlier today in a couple of interviews, we have to focus on the country. We represent, all of us here represent, our constituents, who want a united Canada. We have the responsibility to speak to the citizens of Quebec, many of whom want a united Canada. It is very difficult to want something if you don't get the facts, if you don't hear the message, if you don't understand what the issue is.

The issue for us, at this time in the history of this country, is that all provinces are looking for a better way to work with the federal government — all of us — and with each other. Quebec will, and I think it's going to come out. During these discussions there will be some discussion around Ontario and how well we represent the citizens in our own constituencies and the fact that we do not have a fair share of the CHST compared to other provinces — we have the least amount and not our fair share — and the fact that we are tremendously disadvantaged with regard to our citizens having equal opportunity for training programs. That will come out during the discussions. We want to work, by the way, with our federal colleagues; we have to find a way to work with our federal colleagues in this regard so that we can all learn from the process. My time is up, but I think I have given you my views on Mr Bouchard.

**Ms Castrilli:** Are the seven principles in the Framework for Discussion equal?

**Hon Mrs Cunningham:** That's going to be up to the public. They are a list and they're what the premiers decided on. We may have more discussion around some than others.

**Ms Castrilli:** There's been no discussion, that you know of, as to whether one is more important than another?

**Hon Mrs Cunningham:** The role of the Minister of Intergovernmental Affairs, the responsibility here of our ministry which has come forward with our estimates and with our focus and responsibility, is basically to advise the Premier. In the end, he hopefully gets our good advice. Sometimes, through working with all the other ministries,

we try to coordinate the work of the ministries and their role in working with other ministries across the country, but also working within our own ministries here. In the end, the premiers have the responsibility to make up their minds about issues such as those before us today.

**1710**

You and I had a good laugh on the weekend when we had that conversation and I basically said we weren't in the room, and I'm particularly proud that our Premier had the kind of, I think, influence he had along with the others in coming to a united decision around deciding on this framework. I think it's a framework that everyone in the province can relate to in some way and we'll probably hear about the pieces of it where we want to either make a strong statement or make further change.

**Ms Castrilli:** Could we talk a minute about your ministry. In my view it's a critical ministry in the government and sometimes it has more importance than other times. Given the nature of our federal system, there really is no ministry that is as important as the Ministry of Intergovernmental Affairs in maintaining national unity, in maintaining harmony among the provinces and making sure there is efficiency and effectiveness in the federation.

I'm a little worried, to tell you quite frankly, about whether your ministry has the capacity at the present time to deal with what I think is a very critical issue. I've said there's certainly no constitutional crisis, but we all acknowledge there's an urgency and we all acknowledge that it's important to do everything possible to ensure that we have Canadian unity well planted in our agenda.

I look at your ministry, which has now got about 40 full-time equivalents — you may correct me on whatever the latest stats are, but roughly that — that had some significant reductions, I think about \$851,000 in operations. You've made some of the money back up because additional money has been allocated to you because of rent, something you didn't have to do before, but that doesn't really add to your ministry in its operations.

Your Quebec office is virtually non-existent. You have one full-time equivalent, I believe. If that's not the case, perhaps you'll correct me. I wonder what serious commitment there is on the part of the government to this issue at this time and about your capacity to influence and effect change and give the kind of advice we all want you to give to the Premier, with the kind of limited resources you have at your disposal.

**Hon Mrs Cunningham:** When we came into government, we certainly had no choice but to take a look at the core programs of the ministries and put our money, our resources, into programs that serve people first. Then we took a look, ministry by ministry, at how we could contribute to reducing the deficit and ultimately balancing our budget and hopefully tackling the debt in the very near future, because other governments — and I've learned this more in this job than in any other job I've ever had — right across Canada are far ahead of this government. They've already balanced their budgets or they're well on their way. We did our fair share in the Ministry of Intergovernmental Affairs.



There have been times when the ministry has had larger staff and I'd say easily double the budget we have right now. Those would have been when we were working with regard to the amendments to Meech. Meech would have been in 1990-91, when we had our largest budget of almost \$10 million. Again, we were working in 1992-93 towards the Charlottetown accord negotiations, when we had a budget of some \$8.8 million, and our highest staffing would have been about 89 people. During 1992-93 we had 74 or 75 people.

Yes, we have a lean, and I sometimes call them mean, group, but we're blessed with some people who —

**Ms Castrilli:** It's time to give the deputy the floor.

**Hon Mrs Cunningham:** We'll ask the deputy to tell us what her needs are here publicly and then we can all march to the Premier, or more importantly, Mr Johnson.

But we do have a task, and from time to time there are different ways of meeting our needs, and we'll be talking about that.

We obviously have more work to do. We ourselves have been doing a lot of work with advisers outside the government who have not required extensive remuneration, basically I think because they care a lot about the ministry and our focus, which is to provide the best advice we can to the Premier. It's something with regard to our vision and our mission that we'll have to take a look at

We started the day by talking about expensive processes that end in negative results. Maybe these are times when we can talk about different kinds of processes, although I've not been given any guidelines. That's something we can talk about together across all our parties and decide just how we can ensure we're equipped to contribute constructively and effectively to safeguarding and promoting the unity of our country and achieving the practical changes that are necessary to strengthen the federation.

**Ms Castrilli:** But to kind of put things in context, I look at the Quebec government that has more people in Ontario than you have in your entire ministry. I think we agree it's not necessary to have a large bureaucracy if it's not needed, but it's obvious as well that the Premier wants to see some real action in this area and he wants to see it quickly. The concern for me is, how effective can you be? What commitment can that really be, given that your total budget is somewhere around \$4 million; your staff complement, even with last year, has been down 39%, and you're being asked to gear up for what is a very significant moment in the history of Ontario and of Canada?

I understand that there are some efficiencies that you can create and that your administrative functions have been merged with other ministries and that you can do some of those creative things, but, ultimately you're going to need the expertise, you're going to need the bodies, you're going to need the capacity to be able to give that very good advice and to win this one.

This is about getting it right. I understand as a minister you're required to say certain things, but I will voice my concern that I do not believe Ontario at this point in time

is equipped to deal with the aftermath of the Calgary document.

**Hon Mrs Cunningham:** I've always felt that more people doesn't always get the job done either, so I really don't think it's as simple as that. I also feel we've been very fortunate in getting the best minds with regard to our universities, people who have published and continue to publish through other institutions, think tanks, public bodies that make the constitutional changes and the unity of the country their business.

We're very fortunate here in Ontario and across the country to have people on the phones all the time, willing to come and talk to us. So we feel somewhat appreciative of the support we've had in the past. Certainly those people gave the premiers, and our Premier here in Ontario in particular, the advice they felt was necessary to reach this unanimous decision on behalf of the premiers and territorial leaders.

You're right: We received a different response from different elements, but pretty well predictable, I might say, by journalist by journalist by journalist. We have to influence the public of Quebec somehow. I'm fairly confident we're going to get the resources that we decide we need. As I said before, we haven't been asked to restrict ourselves in any way, nor have we decided what we need and want, because I myself have had only a few days to know what the premiers in fact will want us to deliberate with. Now that we have our direction, our work cut out for us, I think that if we need resources, we'll have to ask for them, because the country is a priority.

**1720**

I have to say at the same time, and I think it was your response today that said, although national unity is extremely important, so are the services we provide to the public. You can restate that if you wish, because I listened very carefully and you're correct. If we have a responsibility here, it is first of all to make sure that the programs in health care, education and social services reach those people who need them.

It's not been easy for governments across the country to prioritize, but our priorities would still be meeting people's needs and creating the environment for investment so that people can work and pay taxes and be healthy. At the same time this has now become, as we know, throughout the tenure of any government an area of focus for the Premier and for all of us. We'll have to decide how to deal with it.

**Ms Castrilli:** I obviously believe that there are lots of important issues that government has to be involved with. The ones that affect people most deeply are the ones you should be dealing more urgently with, and certainly education and health care and how we deliver justice in this province, whether people feel safe in their homes, the environment, are all important issues that can't be ignored because we're dealing with a constitutional issue. If it were a crisis situation and we had to suspend everything, then perhaps, but I don't believe that to be the case here.

Having said that, though, intergovernmental affairs in the last two years really has not been a ministry that's

required a high profile. We've not had any major initiatives on the go. I'm sure you'll tell us; in your speech you indicate the areas where you have been working to try to reach a consensus between your colleagues and convey that to the federal government. Some of it has resulted in programs and some hasn't. I understand that.

My experience with the Ministry of Intergovernmental Affairs has always been in a time where national unity was an important and compelling issue and it dominated the agenda of the Ministry of Intergovernmental Affairs. It effectively took 80% to 90% of the staff at any one time. I don't see that same kind of momentum here. I'm not suggesting you should go up to as high as 125, which we've had in this province, but you've had steady decreases all across the board at a time when you are being asked to give a great deal more. It's not the situation where your ministry is one that has a regular flow of work all the time so you have a steady budget, and it may decrease a little but generally steady.

In your case, I think and will tell you, there's been a huge cut from our perspective since you took office as a government, and I don't know how you can give up. Having said that, I guess the question really is, is the effort going to come from the Ministry of Intergovernmental Affairs or is it located somewhere else?

**Hon Mrs Cunningham:** That's an interesting question for two reasons, but I'd like to go back to the work of the ministry. In the last two years it's been focused on the social policy committee that the premiers established, and that's working, in our view, across nine ministries and trying to bring forward the best advice we can to the premiers at the end of a year of work.

I suppose there was a time when people would have got on airplanes and travelled the country and had lots of conferences and lots of meetings. Not so in the last two years. When we have a meeting it's for a significant reason. I would say we might have two meetings, maybe three, a year, and this is ongoing work. The culmination of the work of the social service ministries through the social policy renewal committee on the national child benefit took a lot of work, but technology has helped us with conference calls. That's what we do. We pick up the phone and we work in a different way. We work smarter, more effectively, more efficiently.

We also have been compelled to reach out to the expertise in our communities. They actually have been extremely pleased because governments have often worked very much separate and therefore, in my personal view, have not been as aware as they should be of the good research, the good work, not only in our colleges and universities where people profess to be experts and we expect they would be, not when it comes just to constitutional advice, but when it comes to advice around changes and policies around how one serves children, the national child benefit, economic advice, financial advice, so that we can make good decisions.

It's interesting and I think it's almost indicative of the changing times that one has to have people who happen to be the experts who could never always work in govern-

ment, although there are many in government who remain experts and whom we rely on. But within our own ministry, and our deputy could probably speak more eloquently than I could in this regard, I see a huge amount of work with the private sector. In the private sector I would have meetings every week, maybe two or three, meeting with small breakfast groups, people in corporations who have shown leadership in the past, but also with people within non-government organizations, communities, as my colleague Mr Doyle did today. Their views are just as important as experts'. We've gleaned a lot of good advice that is what I would call grass roots, where you sometimes get the best advice of all. We'll continue in that manner and we'll now count on more of the members and more of their communities.

That's not to say that at some time we won't have to perhaps add some staff, but maybe we would add it as advisers and work with contracts, as we have with Queen's University on some of the work we've done, and the University of Western Ontario and the University of Toronto, just to name three. Their professors, writers, historians, economists and constitutional experts have advised governments of the past and they do it now, and I have to say they do it free of charge. We have a lot of resources here in this province.

I appreciate your support. I appreciate your vision around where we probably will need to have some kind of a structure in place to assist us as we get out there and consult, and that may be a separate structure and it may require resources we have to pay for. I thank you for your observations. How we do it will be the question.

1730

**The Chair:** Ms Castrilli, you're out of time. We move to the Conservative caucus; Mr Doyle.

**Mr Doyle:** Back to me again. I feel I'm dominating, and I don't want to do that. This is such an important issue.

If I can get into a rather touchy subject here that so often comes up, one of the questions that was put to me today by one of the gentlemen at the church where I spoke was a question of why it is that we appear not to be discussing publicly the dangers of what will happen should Quebec ever separate.

It's a difficult question. If you point out some of the difficulties that will result if such a thing happened, you're accused of fearmongering, and if you don't, you're accused of hiding the truth. I'm wondering if this is an issue that you have come across in your many discussions, Minister. It was one that was put to me quite forcefully today. Nobody of course wants to leave the impression with the people of Quebec that we're trying to keep them in simply by threatening them, by telling them all the evil things that may happen. I wonder if you could help us with that one.

**Hon Mrs Cunningham:** We had to make a choice, as a government, at one time, initially, when I first became the minister, whether we would focus on what has become known as plan B or whether we would focus on a different



approach. We chose a different approach. We chose to be realistic and we have not focused on hypothetical issues.

Others outside of government are preparing information, documents, which they're also putting their energy into and paying for, I might add, that will give us advice that we're going to have to consider, there is no doubt, but we have focused, as I've said before, on concrete reforms that will make the federation work better. I might add that other governments attempted to do the same thing. We're moving forward with a focus of the former NDP government and before them the Liberals, because what we're facing now is not new with regard to how well we represent the citizens of Ontario and whether they are getting their fair share within the government of Canada and within the way we work together.

Our emphasis as we have tried to talk about renewing the federation — which was a new kind of message. A couple of years ago, when I was making speeches, they'd say, "What do you mean by that?" We're looking for a way to make the country work better, not just for all Canadians but for all Canadians including Quebecers. That's probably the strongest message we can take.

It's been referred to — I always blame Roy Romanow for this — as the 80% solution. We say 80% because when we're chatting about the work of this ministry it's been tough to get people to focus attention. I don't really think some believed we would have the kind of success we've had in working together on this 80%, and I think it's in everybody's interest to achieve progress. Some would say Ontario hasn't done as well as some of the other provinces, but we're patient because we're working in the right direction.

I think some of the federal members are not aware of the urgency with regard to fairness. In fact when I first started talking to my colleagues in London a couple of years ago, it just wasn't part of that agenda. But I think the time is right and I can't emphasize more that we have to work together. Our view in Ontario, and it's extremely important to the people you were talking to, in spite of their question, is to let them know that we want to find common ground with Quebec and other provinces so that we can have some concrete reforms to our federal system.

At the same time it isn't that we don't think information around plan B isn't important. We do. But we have had to focus and make priorities on where we wanted to put our energies and we put it into renewal of the federation.

**Mr Doyle:** Canadians have sometimes been falsely accused of not acting quickly enough or being a little too laid-back. I can't agree. Anytime there's a crisis we seem to pull together quite well. That was quite evident at the time of the referendum in Quebec. Most people are convinced that if there hadn't been that public display in the city of Montreal, we would have lost the referendum.

There have been other times when people in this country pulled together. I think back to the days of 1972 and the Canada Cup, when many people travelled to the Soviet Union to watch the final games of the Canada Cup. I can recall many Quebecers went over to see that series, and they were confirmed Quebecers and non-Canadians in

their minds at the time, but when they came back they stepped off the aircraft in Montreal and some were seen to kiss the ground and say: "This is Canada, not just Quebec. I was a separatist and I no longer am."

I think people can be convinced that this is indeed the greatest country in the world. I also think back to the time when Mr Bouchard himself had some great difficulties, when he lost his leg and was in danger of losing his life, how there was an outpouring from the rest of the country wishing him well. I don't know whether he'd get that kind of outpouring today, but it showed that Canadians are feeling and compassionate people.

**Hon Mrs Cunningham:** Mr McKenna said that in this country we talk a lot, and if that's the worst we do, it's a good thing. If families could talk together more, I think the unity of families and countries — in this instance we're referred to as one big family. If talking helps, let's talk.

**Mr Beaubien:** I have a question that does not deal with the unity issue. I know your ministry is not the lead ministry with regard to the harmonization of GST-PST, but this is part of being Canadian and part of being Ontarian. Where do we stand in negotiations with the federal government at this point? It may not be fair to ask.

**Hon Mrs Cunningham:** No, it is a fair question. I should just try to answer it off the top. I do have some notes that are probably more updated than my head. Let me just try, and then somebody can show me what I probably should say instead.

As you recall, all parties were asked what we would do, if we were elected, with regard to the GST-PST. We always feel that if we can get rid of a level of bureaucracy and make any issue more transparent to the public, then we should do whatever we can do.

Many provinces across the country talk about the harmonization of the GST and PST. The Ministry of Finance is the lead on this issue. We're open to harmonization, but I think you'll remember that we said it has to reduce taxation for the people of Ontario. If we're going to put things together, we expect that the cost be less. We rejected the proposal from Ottawa because harmonizing with the GST would shift an estimated \$2 billion in taxes from businesses to the public of Ontario. That was the analysis finance came up with with regard to the proposal.

It wasn't just us that showed our discontent. Other provinces did the same thing with regard to the federal-Atlantic sales tax, harmonization and compensation — for want of a better word — deal. As a result of that deal, the taxpayers across Canada are subsidizing a cut in the sales tax rates of three provinces: Newfoundland, Nova Scotia and New Brunswick, because PEI decided not to be part of it. The federal government is paying about \$961 million to those three provinces for them to harmonize their sales tax with the GST, and we're footing about \$400 million of this cost.

If it's going to be more expensive for our citizens, then we're not in the business of talking about harmonization, which is supposed to be less expensive. At the 1997 premiers' conference, the one we've just come through, the premiers agreed that there should be a review of federal

tax policies, so the ministers of finance will put this on the table right across the country, to take a look at tax policies by federal, provincial and territorial finance ministers to ensure consistency, non-discrimination, fairness and transparency. That's the status of it now. The premiers are very frustrated.

I might say that when we agreed to do something like this, you won't be a bit surprised to know that the Premiers of Atlantic Canada agreed. I think they have met with some resistance from their own constituents, and I certainly know that was true of my conversation with Mr Savage of Nova Scotia.

1740

**Mr Beaubien:** Let's go on to the labour market training. We can talk about unity, and I know the Minister of Education will be coming with a new plan with regard to training, but I think you've had discussions with the federal government with regard to training. How do you see this coming out in the near future, especially keeping in mind that the province, through the Minister of Education and Training, will be embarking on a new course of action?

**Hon Mrs Cunningham:** The Ministry of Education and Training is the lead on this issue.

**Mr Beaubien:** But that's a federal-provincial issue. Mr Lalonde yesterday touched on that nerve in a different matter, but it really impacts on this area.

**Hon Mrs Cunningham:** What did he say?

**Mr Beaubien:** This is about the border crossing, workers coming in —

**Hon Mrs Cunningham:** Oh, yes, but we're now looking at opportunities for training. That's your question, is it?

**Mr Beaubien:** Yes.

**Hon Mrs Cunningham:** It's an important one for all members of the Legislative Assembly. This is one where we would all agree. It's a position we've taken over a number of years as a province. I would say it has got worse. All provinces now, except Ontario and Saskatchewan, although that may have changed sometime today, have signed agreements with the federal government to devolve some federal labour market training responsibilities to the provinces. That came about as a result of the federal throne speech where they said they were going to move in that direction.

Some people, including Mr McKenna today in the Star, stated that this is just great, that the Premiers are extremely happy about this and that the devolution, as he called it — I don't call it devolution. I would say that the transfer of responsibility has taken place. I have a different opinion because it's constitutionally our responsibility, so I don't call something we should have in the first place a devolution.

Having said that, we actually don't have an agreement; they do, and we agree with them. This is a very big issue for the Premiers. When it comes to labour market training, the current Ontario share of the national unemployment level is that we have 36% of the unemployed in Ontario. These are just numbers, if you want to write them down

for your discussion with your federal colleagues. Our share of the national labour force is 39%. Our share of the EI revenues contributed by Ontario employers and workers, because that was never intended to be anything but a separate fund, is 40%, of the whole EI.

*Interjection.*

**Hon Mrs Cunningham:** We've been accused of that, but I've never found a transcript where we did. I think there might have been some shouting, but I can tell you that I have never found this in the minutes.

**Mr Bisson:** We used to: "Stop your whining. Stop picking on the federal government."

**Hon Mrs Cunningham:** Yes, but I think it might have been in fun. I think you may have been part of it. I can still see where you sat, as a matter of fact, possibly in my seat.

**Mr Bisson:** Actually, we sat in the same seat.

**Hon Mrs Cunningham:** Having said that, now you know how I feel.

The Ontario share of federal training funding in 1996-97 was 29%, in 1997-98 it will be 27%, and 1998-99 is 27%, and you can see that's not getting our fair share. That's a huge file. That's where we're talking about the surplus in the EI account. According to the Ontario Ministry of Finance, 1996 surplus, \$4.9 billion. The cumulative EI account surplus at the end of 1996 will be \$5 billion. The cumulative account surplus at the end of 1997, that's this year, will be \$11 billion. This is a deduction at payroll. It's a big problem. Unless the 1998 EI premium rates are reduced substantially, the EI annual surpluses of \$5 billion per year will continue. Since 1995 Ontario's premium contributions have exceeded benefits paid to provincial residents by about \$4 million annually.

**Mr Doyle:** What was that number again?

**Hon Mrs Cunningham:** It's \$4 million annually. This overcontribution represents about 80% of the annual surplus in the EI.

**Mr Bisson:** Is it \$4 million or \$4 billion?

**Hon Mrs Cunningham:** It should be \$4 billion. Do you know what I'm going to call that for want of a stronger word? A typo. I'm being so kind right now. I thought I knew those numbers. I'm always telling the Chair the numbers right across the House every day. Typos can be expensive, can't they?

**The Chair:** That variance would be particularly expensive.

**Hon Mrs Cunningham:** Exactly.

We did get a small reduction, last spring as I remember it. It's been estimated that a reduction in the EI premium rate to \$2.20 would give Ottawa the opportunity to create an additional 200,000 jobs. This is a lot of money.

**Mr Sheehan:** Did you say Ottawa create? Isn't that an oxymoron?

**Hon Mrs Cunningham:** I said it would give Ottawa the opportunity to create an additional 200,000 jobs across the country, but I should have said it would have contributed to what I think all governments are trying to create, and that's an opportunity for investment. That money that is being taken off of us as workers, and away from businesses, including small businesses that are struggling, the



greatest creators of jobs in the country today, many led by women, I might add, takes money away from all of us that we could be putting back into the economy. As long as we're buying goods and services, there will be more jobs.

Most provinces have signed a training agreement. We're not dragging our feet. We believe that unemployed workers seeking training in the province should be treated in the same manner as unemployed workers seeking training elsewhere. We did do a little research on this and we know that the opportunity for a worker in Ontario is one-half the opportunity for training of a worker who is seeking training in the province of New Brunswick.

I think the offer we have been given is unacceptable. We have started our discussions. To be fair, I think it's fair to say discussions, as opposed to the old way of doing things, always negotiating. Why not just talk? We've been accused of it, so why don't we do it? Equitable funding is a precondition for the province of Ontario to those kinds of discussions in a bilateral agreement with the federal government.

**The Chair:** We now move, by consent, to Mr Bisson, representing the New Democratic Party.

**Mr Bisson:** I have 10 minutes. I'm going to try to go through this as succinctly as I can, specifically to the constitutional problems that we have in this country.

Primarily what we've got as a problem is simply this — well, it's not simple of course; if it was simple we'd solve it. But to put it in a succinct way, the only way in my view that we're going to be able to solve the constitutional problems we have in this country is one of three ways.

One is that the rest of Canada accepts that Quebec is distinct and be prepared to give them the powers necessary to be distinct. That would mean, quite frankly, that as we see it now, some of those rights we would give them would be in contravention to what now our constitution and Charter of Rights say about whatever the provinces have to do. The problem with that is that there are very few provinces, and I would argue a number of people — I'm not so sure but it probably is a majority — who don't want to do that, who are not prepared to say that Quebec is distinct and give them the power to be able to do so.

1750

The other way you can solve the constitutional problem is that the federal government can take a hard-line position and say all provinces are equal and Quebec will be treated no differently, and basically stare Quebec down and hope to heck that you're able to win over enough Quebec individuals who would vote with the federal government on that particular principle, which is that all Canadians are equal once it comes to the law and no province has any more power than any other when it comes to any issue, being either an administrative function or when it comes to questions of language. My guess is that ain't going to fly in Quebec.

I'm probably not saying things out of turn. That's the problem we find ourselves in. They are two very different views of what this country is all about. Quebec has a view. The rest, English Canada, has another. How the heck do you try to find a way to resolve that?

The third way you can try to solve this problem is possibly by what the first ministers have agreed to at the conference in Calgary. It's an intriguing approach, which is to kind of say that Quebec is distinct, but not go quite as far as saying it is distinct, and try to send a message to Quebecers that we need, together, to find a way, as Canadians outside of Quebec, to say Quebec is important to us, that, "You're part of our Canadian family; we respect that you're different and we want you to remain as part of Canada," and all of us pass resolutions in our Legislature and the federal House, hopefully to send a positive signal to Quebec so that after the next provincial election in Quebec the sovereigntists will not have the power they need to win a referendum. That's what's intriguing about what you're doing.

I need to point out that the problem with this is that it's fraught with a lot of danger. Probably not going to lose a lot; I don't think it's a question where we're going to lose a whole bunch by this approach. But it's going to take a lot of pulling of rabbits out of hats, to put it simply, to make this approach work.

I come back to the point I made earlier, which is that when I read the seven points of this framework document, there is some really good language that was very well crafted on behalf of all the premiers to say to Canadians outside Quebec, "Nobody is treated differently under the law and the Constitution of this land; all provinces are equal and we're not going to treat anybody differently," but at the same time, in the same breath, say that Quebec is different. Instead of calling them distinct, we call them unique, and we say they have a role to play when it comes to practising that uniqueness. It's really going to come down to those last two lines in point 5.

I need to understand, because to get into this debate, and for us as legislators and leaders in our communities to go out and consult and talk to people, we need to understand what the position of the Ontario government is vis-à-vis the role of Quebec in practising that uniqueness.

I come back to the question, what is the position of the province of Ontario and the government when it comes to the whole issue of distinct society? Is he for it or is he against it?

**Hon Mrs Cunningham:** Let's talk about what the Premier did with regard to his position as the Premier of Ontario. He signed on to a framework for discussion. That's all he's done. The premiers have said, and I agree, that we must have the support of Canadians and we must not prejudice their process. It cannot be closed-door, men in suits, which is maybe what was voted against. Who knows?

**Mr Bisson:** Or women in suits.

**Hon Mrs Cunningham:** We wish. Men in suits.

**Mr Bisson:** The point is, there are women at the table.

**Hon Mrs Cunningham:** There are, but the former premiers were men in suits, period.

It must be, and I think it has to be seen to be, an open process. That's what's different. It's got to be creative and it's got to be consensus-building among all Canadians

working together and ultimately our goal is to have Quebec sign on to the Constitution.

You're right, but we couldn't solve it by dictating the rules and the words in the past. Now we know, based on those discussions around Meech and Charlottetown, that we have to bring people with us. We have to bring them somehow. As Premier Harris has said, it is their Constitution.

**Mr Bisson:** It is their Constitution, but in the end governments that are elected by the people, and provinces and the federal government, have a responsibility to be able to deal with how that Constitution is amended. It is a very legislative process. In the end it will be the premiers of the provinces and the federal Prime Minister who will decide, by acts of their own legislatures and Parliament, how we come to this solution. I'm trying not to be provocative —

**Hon Mrs Cunningham:** You're not, because you have to be part of the solution with us. What we agree to do can be partly your responsibility.

**Mr Bisson:** This debate will ensue in Ontario, because there are two very different views, even in this province, when it comes to the question of Quebec's distinctness or non-distinctness when it comes to their powers as a province. I come back to the point that it almost seems to me that what we're trying to do is we're trying to say two things at the same time here. I'm not sure, unless we're pretty well clear what our position is as a province, how we're going to be able to sell this to people or get people to buy into the concept that's in this document.

**Hon Mrs Cunningham:** It is a framework for discussion. There is a balance in it. If people thought the distinctiveness of Quebec gave them powers, then on this same framework the premiers have decided that whatever powers are gleaned through constitutional change will be equal to all provinces.

**Mr Bisson:** Can I ask what your position is, personally, when it comes to the issue of Quebec having the ability to promote its distinctness within its own province?

**Hon Mrs Cunningham:** I think Quebec has now got the ability to promote its distinctiveness.

**Mr Bisson:** But not if they sign on to the Constitution. That's the problem.

**Hon Mrs Cunningham:** That's not what you asked me, though.

**Mr Bisson:** Should they have the right under the Constitution?

**Hon Mrs Cunningham:** Under the Constitution, the premiers have said here, as one of the principles, that that's open for discussion. If I were to give my judgement in that regard and prejudice what the public said, what kind of leadership would I be showing?

**Mr Bisson:** That's the point, though. There is a certain amount of leadership needed here.

**Hon Mrs Cunningham:** That's right, but we have to listen first.

**The Chair:** With that, we conclude. When we return, we'll have approximately 12 minutes for the New Democratic Party to finish, followed by the Liberal Party, by arrangement.

**Ms Castrilli:** We'll be quite happy to defer the five minutes I gave to Mr Bisson and tack them on to the end of one of my other interventions. It will probably be the easiest thing, rather than to go back and forth. Is that all right with you?

**Mr Bisson:** That sounds good.

**The Chair:** Okay, then we'll start with the Liberal Party.

**Hon Mrs Cunningham:** Thank you, Mr Chairman.

**The Chair:** Thank you, Minister.

*The committee adjourned at 1758.*

Tuesday 23 September 1997

Mardi 23 septembre 1997

*The committee met at 1554 in committee room 2.*

#### MINISTRY OF INTERGOVERNMENTAL AFFAIRS

**The Vice-Chair (Mr Rick Bartolucci):** People, the minister hasn't shown up. Do we have unanimous consent to adjourn? Agreed. The meeting is adjourned until tomorrow at the same time.

*The committee adjourned at 1555.*



## **CONTENTS**

Thursday 17 September 1997 *and* Tuesday 23 September 1997

<b>Ministry of Intergovernmental Affairs .....</b>	<b>E-1087</b>
Hon Dianne Cunningham, minister	

### **STANDING COMMITTEE ON ESTIMATES**

#### **Chair / Président**

Mr Gerard Kennedy (York South / -Sud L)

#### **Vice-Chair / Vice-Président**

Mr Rick Bartolucci (Sudbury L)

Mr Rick Bartolucci (Sudbury L)

Mr Marcel Beaubien (Lambton PC)

Mr Gilles Bisson (Cochrane South / -Sud ND)

Mr Michael A. Brown (Algoma-Manitoulin L)

Mr John C. Cleary (Cornwall L)

Mr Ed Doyle (Wentworth East / -Est PC)

Mr Bill Grimmitt (Muskoka-Georgian Bay / Muskoka-Baie-Georgienne PC)

Mr Morley Kells (Etobicoke-Lakeshore PC)

Mr Gerard Kennedy (York South / -Sud L)

Ms Frances Lankin (Beaches-Woodbine ND)

Mr Trevor Pettit (Hamilton Mountain PC)

Mr Frank Sheehan (Lincoln PC)

Mr Bill Vankoughnet (Frontenac-Addington PC)

Mr Wayne Wettlaufer (Kitchener PC)

#### **Substitutions / Membres remplaçants**

Ms Annamarie Castrilli (Downsview L)

#### **Clerk / Greffière**

Ms Rosemarie Singh

#### **Staff / Personnel**

Ms Anne Marzalik, research officer, Legislative Research Service

CP-20N  
XC-26  
-E77



E-51

E-51

ISSN 1181-6465

## Legislative Assembly of Ontario

First Session, 36<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Première session, 36<sup>e</sup> législature

# Official Report of Debates (Hansard)

Tuesday 30 September 1997

# Journal des débats (Hansard)

Mardi 30 septembre 1997

**Standing committee on  
estimates**

Ministry of  
Intergovernmental Affairs

**Comité permanent des  
budgets des dépenses**

Ministère des Affaires  
intergouvernementales

Chair: Gerard Kennedy  
Clerk: Rosemarie Singh

Président : Gerard Kennedy  
Greffière : Rosemarie Singh



### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Tuesday 30 September 1997

Mardi 30 septembre 1997

*The committee met at 1536 in committee room 2.*MINISTRY OF  
INTERGOVERNMENTAL AFFAIRS

**The Vice-Chair (Mr Rick Bartolucci):** I would like to call the meeting to order. When we left off a little while back, the third party had eight minutes left. Then we will continue the regular rotation.

**Mr Gilles Bisson (Cochrane South):** I'm going to pick up where I left off, which I guess would have been two meetings ago, because our House leader, Mr Wildman, was here as our intergovernmental affairs critic.

I want to go back to what we had talked about the better part of two weeks ago, which is trying to figure out what the position of the province of Ontario is vis-à-vis distinct society in Quebec. I'm wondering if the minister, now that she's had an opportunity to reflect for the last two weeks, and I'm sure had numerous discussions with her cabinet colleagues and with the Premier, and hopefully with some of the other first ministers or her peers in other provinces — I would really like to know what the position is. As I explained earlier, I understand what the first ministers tried to do by way of this agreement by saying that Quebec is no longer distinct; they are unique. It was a bit of a play on words. It's quite an interesting concept and if it works, fine.

What we need to understand is, what does "unique" mean vis-à-vis the province of Quebec? Will they still have paramountcy when it comes to language issues and other issues they've always claimed they want and have had for these past number of years? That's my question.

**Hon Dianne Cunningham (Minister of Intergovernmental Affairs, minister responsible for women's issues):** If I may, I think you're probably asking the question in the context of the Framework for Discussion on Canadian Unity.

**Mr Bisson:** Yes, I am.

**Hon Mrs Cunningham:** We actually had a very interesting discussion at lunchtime today on this. Everyone within this particular group that's trying to give us some good advice on this consultation process, as your caucus will be involved and the Liberal caucus will be involved — basically the message to us was that the wording the premiers agreed to was a step in the right direction. But what we want and what I would say all provinces are

looking for, and the territories as well, is what the public feel about those words.

We have been on record as a government, and certainly the two former governments were on record, in supporting both Meech and Charlottetown. The public of Ontario, when they were given the opportunity to make a statement, did make a statement. Now we have a very real challenge in moving forward and talking to the public of Ontario around that particular piece, which basically says:

"In Canada's federal system, where respect for diversity and equality underlies unity, the unique character of Quebec society, including its French-speaking majority, its culture and its tradition of civil law, is fundamental to the wellbeing of Canada."

The only point I'd like to leave you with is that this is the beginning of a discussion. We in Ontario will probably agree that if the public want to talk to us beyond that or be more specific about it, that's what they'll do.

**The Vice-Chair:** Minister, could we have a copy of that framework? Is that a possibility?

**Mr Bisson:** They have provided some.

**Hon Mrs Cunningham:** That's fine. There are different members on the committee. We've been handing this one out at most meetings, and I think it's an important document that most of us should have a copy of anyway.

**Mr Bisson:** I have a copy in my office, but unfortunately I don't have it with me. I want to get to that. I can understand very well what the premiers were trying to do in that meeting in Calgary. Point 5 says, "In Canada's federal system," etc, "Consequently...have a role to protect," is the key word here. The last part of point 5 reads, "Consequently, the Legislature and government of Quebec have a role..." There's a difference between role and responsibility.

What concerns me is that whatever process we undertake here outside of Quebec has to ring with some legitimacy within the province of Quebec. Unless Ontario, which is one of the senior partners in Confederation and a partner that has always supported the issue of Quebec having paramountcy when it comes to these issues — I think they want a signal that what we're really talking about here is that Quebec would have paramountcy. When I see "role to protect," that is something quite different. I'd like you to speak to us on what "role to protect" means. Does it have the same weight as actually having the responsibility?



**Hon Mrs Cunningham:** In response, we've always had the question, are we supportive of recognizing Quebec's unique characteristics? This document was the closest the premiers could come with regard to at least putting that issue out for public discussions. It's not a legal text, so we're not getting into the legal wording. We will obviously be consulting, as I've already stated. We'll have to ask you and other members of the Legislature down the road to be playing a fairly formal role in that discussion. I will tell you what we have said as a government. That is that we do recognize Quebec in terms of its language, culture, civil law tradition —

**Mr Bisson:** But do you agree with the Quebec position and the position that Ontario previously took that Quebec has paramourty in that area?

Then I have a follow-up question to your legal staff. Let me try it simply this way: The two previous governments, both the government of Mr Peterson and the government of Mr Rae, had taken a very strong position when it came to that. Is the position of the Mike Harris government the same as the position of the previous premiers when it comes to the issue of paramourty over language and cultural issues in Quebec?

**Hon Mrs Cunningham:** You're going to have to bear with me. The two previous governments were looking at constitutional change. Right now we are looking at non-constitutional change. You're getting into the legal language. It would really not be responsible for me as a minister to come out and put words into people's mouths. The purpose of this is for consultation.

**Mr Bisson:** Can I try this —

**The Vice-Chair:** Mr Bisson, we're going to have to move on. The eight minutes is up. Maybe you can keep that line of questioning for later. We'll move over to the Liberal Party, and then we can do the rotation. If you remember, last time there was some juggling of times. We'll go to the Liberal Party.

**Mr John Gerretsen (Kingston and The Islands):** How long do we have?

**The Vice-Chair:** Twenty minutes.

**Mr Gerretsen:** We can split this up any way we want?

**The Vice-Chair:** Any way you want to do it.

**Mr Bernard Grandmaître (Ottawa East):** I want to go back to the consultation process, because I think it's very important. We in the Liberal caucus formed some kind of a committee to address this question, but we haven't received any mandate; I don't know about the third party —

*Interjection.*

**Mr Grandmaître:** You haven't? I'm just wondering, how should we conduct ourselves in this committee? We're asking all kinds of questions to our critic, Annamie Castrelli. She doesn't have all the answers, for the simple reason that the government doesn't have all the answers. How do you plan, or is the government planning, to consult not only the three caucuses, but the population of Ontario?

**Hon Mrs Cunningham:** I have had some discussion with my critics about the obvious intent, as they have had

in the past, of all of us working together and the caucuses working together, and basically each MPP in the other provinces, where we know they have made some headway in discussing a process, including the elected members of their legislative assemblies, because this is a very non-partisan issue where we hope the end result will be our contribution to the ongoing unity of our country.

Here, at this point, the Premier will be talking and has already discussed initially with the leaders of the parties, and the next step will be left to the Premier to make some kind of statement, along with the leaders. That's where it's at right now.

In the meantime, we are considering ways — I, as the minister, will be trying to give my colleagues all across the House some considerations, do some groundwork, keep in touch with what the other provinces are doing. A couple of them are much further ahead than we are, but we have done some work in the last couple of weeks for the consideration of our colleagues. The goal is to take this open, non-partisan approach that contributes to the consensus-building around a genuine sense of involvement by the public of Ontario.

I would be less than straightforward if I didn't say that this is a very sensitive process and many of us are very concerned about it. We have to find ways, and we're looking for the best ideas we can get. We'll get something more formal once the leaders and the Premier have made some kind of statement together. We have to find ways of engaging our fellow citizens so they can work through what I consider to be very difficult but complex issues facing the public of Ontario and their governments. In the end we need to reach some solid and very responsible conclusions.

I don't think we can direct people about what they should decide. That's why I've been very cautious in giving my description of the former questioner's interest. But we can give them the opportunity, and perhaps the tools and ideas, around how they can decide intelligently for themselves.

Two things have come to my attention with regard to the advice I get. People basically say we have to focus on educating our public. Many of us are working in a day-to-day way around the roles and responsibilities of our governments and have some understanding about where we've made some gains and where we haven't, but this ministry is obviously stepping up our interest in looking at those roles and responsibilities with the federal government. We call it rebalancing. It's not new. I think it started with a focus with Mr Peterson, and then Mr Rae tried to make some efforts, and now we're carrying on with the same level of expertise within our own ministry.

We don't at this time have the same kind of consultations as others did around constitutional change, with a lot of resources going into first of all Meech and then Charlottetown, but we are revving up now for a different kind of discussion, one that we think, because of the timing, is going to be critical to the country. The way we do it is basically consensus-building. We'll have to have some new ideas. Maybe you could take this opportunity to let

me know how you feel about what you've been hearing from your constituents as well.

**Mr Grandmaître:** I wasn't part of Team Canada, but last night I read the statement the Premier gave in the House as a result of his visit to Edmonton. I couldn't find anything in the Premier's statement that stood out and said: "Here's where Ontario stands on this question. We've agreed on these seven points, but now here's where we stand as Ontarians."

I realize it'll be part of the consultation process. I'm a little concerned about this consultation process, because I don't know how you're going to do this. I realize you're not going to lock us up for seven days without seeing the sun.

1550

**Hon Mrs Cunningham:** You mean suits behind closed doors.

**Mr Grandmaître:** Yes.

**Mr Gerretsen:** Or skirts.

**Mr Grandmaître:** Or skirts.

**Hon Mrs Cunningham:** There haven't been skirts in the past, that I'm aware of. Maybe Mr Wildman goes far enough back to tell us whether that would be the case or not, but not in my lifetime.

**The Vice-Chair:** When he gets an opportunity, Minister, he may.

**Hon Mrs Cunningham:** That woke him up.

**Mr Grandmaître:** The evening of the long knives — I've just finished reading Mr Bouchard's book. Have you read it, John? It's a great book; I'll pass it on. I think if you're trying to get everybody to sing from the same hymn book, we will need more directives from the government. We want to be part of this consensus. I'm sure the NDP feels the same way as I do; we all do. I think we will need more guidelines from the government in order for us to succeed.

**Hon Mrs Cunningham:** Just to make it very clear, and I've said at these estimates before that it's obvious we want to proceed very carefully, because people are somewhat apprehensive. The Premier has already consulted with the two opposition leaders, and we'll have another meeting with them, because they will obviously be bringing back some of their ideas. They've had a couple of weeks to think about it. As I said before, we are working on a daily basis getting ideas and suggestions, not only from the elected members of this Legislative Assembly but from members of the community who think this is an extremely important issue to the future of our country; so in an ongoing way.

The other piece that is interesting to us is, some of the other provinces are almost ready to make their launch. They're further along than we are. We have a huge, diverse province. We have 12 million people. We have a lot more to think about on some issues, because we also happen to be the province that feels more than any other that we don't get what we would call our fair share when it comes to resources from the federal government.

**Mr Grandmaître:** Madam Minister, I'm going to stop you right there. Are we talking about trying to find a

solution to Quebec, or are we trying to find a solution to the disenchantment of 10 premiers? Is this what we're looking for? Are we using Quebec as a tool?

**Hon Mrs Cunningham:** The end result for all of us is our focus on a united Canada.

**Mr Gerretsen:** I just wonder if I could ask some questions. Let me tell you where I'm coming from on this thing. I think one of the reasons why Meech and Charlottetown didn't succeed — and I was very ambivalent on it and quite frankly I can't even remember whether I was on the Yes or the No side, because I changed my mind so often during that debate. I dealt with the fact that it was a top-down process. I take it what the premiers are basically talking about and the consultation that's being talked about here in Ontario will be a bottom-up kind of approach: "Let's hear what the people have to say first."

I don't have any problem with that at all. However, when the premiers adopt a set of principles, most of which are motherhood — because everybody can agree to it — but some of them have some underlying inferences in those principles, then you are mixing the process part with the substantive part. I think your answer to Mr Grandmaître indicated that, because you seem to mix this notion that maybe the resources ought to be divided up differently, maybe the powers between the federal government and the provinces should be done differently than they are now, with the notion of, "Let's find out what the people want about that."

I just remind you of the very last sentence in point 5, which says, "Consequently, the legislature and government of Quebec have a role to protect and develop the unique character of society within Canada." Then take 6 on top of that, which says that, "If any future constitutional amendment confers powers on one province, these powers must be available to all provinces."

I'm suggesting to you that you are no longer just talking about process; you are no longer just talking about motherhood statements to the extent that all Canadians are equal and they have rights protected by law and that we're all diverse and that we're a country of diversity, tolerance, compassion and equality, and all that stuff that everybody can agree to.

I'm not a very cynical person, but I would almost think from my reading of this that the provinces have added another ingredient under the guise of, "We are now going to consult with the public at large." They've also added in the notion of, maybe it would be nice to confer some of those powers that the federal government has right now on to the different provinces. I'm not so sure, quite frankly, whether you're going to get the same answer from people as if you were to ask them, "Are you in favour of a united Canada? Would you like Quebec to stay in Confederation?" and those things, as to the question of, "Are you in favour of more powers being devolved from the federal government to the provinces?" They are two completely different sets of questions. These principles have that sort of underlying theory in that.

I don't think you can have it both ways. If you want to get all parties on side, then you cannot within your sets of



principles contain some implicit notions of transferring power from the federal government to the provinces.

I wonder if you could react to that, because I am very concerned about that. We either make it a completely open ballgame and consult with the people out there without any preconceived ideas, other than the fact that we want to stay together, or we are trying to in effect insert something in what we want to consult with the people on. There are already some presumptions or suppositions in there.

I can tell you, I am a strong believer in having a good, strong federal government with federal powers. If that's the ultimate tradeoff somewhere down the line, you may get a totally different result from the people of Ontario than you might think.

**Hon Mrs Cunningham:** What we've been talking about and certainly what the premiers decided is to take a look at a solution to take Canada into the next millennium so we can remain united. The person who probably showed the leadership on the rebalancing piece and made a significant contribution to the debate over the last two years — because this isn't new — was Mr Romanow, who said that 80% of the solution is to take a look at the efficiency and the effectiveness of the federation with regard to two things: rebalancing, what level of government should be delivering what programs, where is there now overlap and duplication that could be avoided and how can we have meaningful discussions with our federal colleagues, who actually, through the Constitution, do have the federal spending power?

**1600**

There are ways of talking to provinces, as we have seen in this last year, how the ministers of community and social services and the Minister of Human Resources Development, Pierre Pettigrew, worked out the child tax benefit. I think that was, at least processwise, program-wise, a success story, where the provinces worked with the federal government to work out a program that would be helpful, in this case through the tax system, to our citizens who have children and who are really needing some extra support.

That was a good example of what has happened in the last two years. It wasn't a unilateral decision; it was something that was worked through. Although they haven't finished with regard to the financial implications, they're still talking together. That would be a good example of what we mean around rebalancing.

There is a reason for looking at rebalancing. You can imagine, from your former position, that there's always frustration among all levels of government as to who's delivering what program and what's best for your residents, your constituents. We certainly have our own challenge here in this province, as other provinces do, with the municipalities and school boards. But we also have a responsibility with the federal government.

I would certainly not use the words "devolution of power." Having taken a look at the Constitution and who's responsible for what, those who have studied the Constitution will know that since the Second World War the federal government has gotten into areas of delivering

programs that are clearly the jurisdiction of the provinces. This is all federal governments; it's not this federal government. In fact, this federal government has said: "We're going to look at this with you. We agree that there can be more effectiveness and efficiency in this federation." Mr Pettigrew is at the table doing just that. It isn't an issue of power; it's an issue of spending the taxpayers' money wisely and it's an issue of an effective program with results.

**Mr Gerretsen:** With all due respect, I don't think there's anything wrong with the federal government and the provinces talking about who can deliver what program better and how the powers can be redistributed and that sort of stuff, but quite frankly that has nothing to do with getting the views of the general public as to how they feel about Confederation and how we can keep our 10 provinces together in one country. There's absolutely no connection with that. I would dare say the average person doesn't know exactly where what program comes from.

If we're going into this with another agenda as well, that at the same time this is a good opportunity to get some of these powers for the provinces, or this, that or the other thing, let's be straight up front with the people of Ontario and tell them what our other agenda is, other than just trying to keep this country together.

The general consultation with the people out there as to what we can do collectively to keep this country together, to my way of thinking, has absolutely nothing to do with the question of the division of powers between the provinces and the federal government. We may like some of these powers as a province, but I don't think we should confuse the two issues.

**The Vice-Chair:** We're going to move now to the government side. There was a switch, and Mr Wildman's aware of it. Thanks, Mr Wildman, for remembering.

**Mr Trevor Pettit (Hamilton Mountain):** Where should we start today? Minister, in the last two or three weeks when you've been here, you've stated that Ontario seeks a lot more provincial involvement in the standards of health care. A lot of people think that's because the province is trying to undermine the principles of the Canada Health Act. My question would be, where do you stand on the Canada Health Act? Does the province support it? Furthermore, what do you mean when you say "national standards"?

**Hon Mrs Cunningham:** First of all, I've learned very quickly from the public at large, and so have the other ministers, specifically of health, across the country that national standards don't mean federal standards. In that regard, this is one of the great challenges we have as a country. Communication is extremely important.

As we have sat through the Canada Health Act standards for program delivery and the effectiveness of our programs across the country — which is one of our greatest joys and we're proud of it — that doesn't mean to say that standards are set unilaterally by any level of government. That would be the main message of the ministers of health in their discussions with the federal minister. This is not new. This has been a statement by provincial min-



isters of health for many years. We're trying to make some gains in that regard.

The Ministry of Finance actually has the lead on talks with the federal government and other provinces concerning the allocation of the CHST, which is the transfer that Ontario is particularly dissatisfied with. This is unilaterally imposed. It's a federal allocation formula which continues to provide an inequitable share of funding to Ontario, British Columbia and Alberta. All premiers of all political stripes and territorial leaders recognize that the formula does not allow some provinces an equitable share. This has been the discussion with the federal minister.

Our position in Ontario continues to be, as the former government's position was, and the former Liberal Premier's as well, that the CHST should be paid to provinces on a fully equal per-capita basis. This has been Ontario's long-standing position, and we continue on with it.

Ontario disagrees with the federal government's funding priorities. Even with the federal promise to keep CHST cash transfers below a \$12.5-billion ceiling, between 1995-96 and 1998-99, as we look to the future, the federal government will cut the CHST cash to provinces by 38.3%. This was mentioned by the premiers in New Brunswick when they talked about having some input to any of the finances where the federal government finds itself in a surplus position, over and above rebalancing its budget. They wanted a say in the disbursement of those funds.

We all know what was said in the throne speech. Let's give credit where credit is due, because the premiers stated that they wanted some allocation to go to health and we'll see that. But I will say that we will be cut, from the time we were elected until 1999, by some 38.3% across the provinces. Over the same period of time, the federal government will have cut all other federal program spending by only 1.5%.

So this is a matter of bringing to the attention of the federal government the priorities of the provinces and speaking on behalf of our own constituents as to their priorities. It's not a political argument with regard to all the other provinces, because they have the same position, without fail, no matter what the politics of their Premier.

**Mr Pettit:** I'd like to get back to the devolution of powers that Mr Gerretsen was speaking about. As you know, last week the federal government delivered its throne speech. It seems to me in that throne speech there was a lot of talk about partnership with the provinces but very little about devolution of powers. I would like to get your comments on the throne speech and the implications, as you see them, for Ontario.

**Hon Mrs Cunningham:** Throne speeches by their very nature are somewhat general. We'll have to see what specific initiatives the federal government takes in the coming months. But you're right, they have talked a lot about better cooperation and collaboration with the provincial governments. I can't remember the number of times, but I think it was some 14 times, if I'm not mistaken.

We hope this really is an indication that they're committed to engaging in negotiations with the provinces on reforming the social union, as we've talked about, and the financial arrangements. I'll go back: They're specifically rebalancing issues, because that's why provinces, including Quebec, are not happy within the federation. They think it could work better. I shouldn't say "within the federation"; that's absolutely incorrect. With the way the federation works, it could be more efficient and effective.

With regard to the throne speech, it made no mention of a mechanism to interpret and enforce the conditions of the Canada Health Act, which goes back to your first question: What are we going to do about this? These have been ongoing discussions with the ministers of health and the ministers of finance. At the recent meeting of the federal-provincial-territorial health ministers, the federal government continued to maintain that the final interpretation of the Canada Health Act is a federal responsibility. But ministers agreed to establish a working group to develop a protocol regarding the interpretation of the Canada Health Act. I'm sticking to health because that was your question.

1610

In the throne speech, the commitments to respond to the expanding needs regarding home care and the need to develop a national pharmaceutical plan — I think they called it a pharmacare plan — will have the effect of raising public expectations regarding those programs and it could have a major cost impact on the provinces. That's just one area. The fact that it was raised now means it must be discussed. This is an example, if it's not handled appropriately, that will lead to the provinces' diminished trust and confidence in the sincerity of a federal government that says it wants to work more closely with us.

I'm particularly optimistic, myself, that there will be better discussions, a more clear understanding of what all the provinces' challenges are and that we can work around some kind of process. The ministers of health have committed themselves to that so that we can have good discussions and not unilateral interpretations and decision-making around the federal spending power.

That's just one small piece of the throne speech. I could talk to other areas if you'd like me to.

**Mr Pettit:** You're obviously deeply involved in inter-governmental issues.

**Mr Gerretsen:** I would hope so; she's the minister.

**Mr Pettit:** She should be, eh, John?

I think we still face a number of intergovernmental challenges and a lot of progress still needs to be made in areas such as internal trade and the employment insurance system and, for that matter, fiscal reform. I want to ask you why social policy reform is so high on the agenda of your ministry.

**Hon Mrs Cunningham:** It's not unusual for us to be carrying on, as I say, from former governments. In my view, if you had to take a look at the expectations of the public when they're giving any level of government taxes, they're looking at priority areas for program delivery. What could be more important than areas in social serv-

ices — first of all, health care, which is really important to every family in the country; secondly, education?

Everybody knows that one's quality of life is very much dependent on a good start and a good education, good health. The social system that we have in place across the country is one where all of us are prepared to give to others who are less fortunate than ourselves. That's why I think the social policy area has been one of the greatest challenges to the premiers and territorial leaders with regard to making improvements in the way the federation works, the efficiency and the effectiveness of programs.

It's not new. We've got many intergovernmental challenges, but the area with regard to education reform, health service restructuring, Who Does What, as we call it here in Ontario, is very much dependent on the support of the federal government. That's why we have to have ongoing discussions and that's why we're looking for a new process across the provinces and territories not only to work together but to work with the federal government. The taxpayers are demanding this kind of leadership. They don't want us to waste their money and they want the programs to be effective and efficient. We know that isn't so now, that we could do so much better.

Since there hadn't been a lot of gains in the past in the way the federation works, the premiers decided in St John in the summer of 1995 that they would establish a council of ministers called the Provincial-Territorial Council on Social Policy Renewal. That group — I represent Ontario on that group — has been working hard to take a leadership role in working together, looking at clear options and new programs like the national child benefit, which was a success story for both levels of government.

We want to reform the social union, and that's why when I had the question, which I haven't had an opportunity to answer, I will say that this is very much a part of taking this country into the next millennium, to make sure the effectiveness and the efficiency of the federation serves the public. That's something all premiers and territorial leaders and the federal government are interested in pursuing.

**Mr Ed Doyle (Wentworth East):** If I could, I'd like to get back to the issue of national unity. We read in the paper or heard on the radio this morning about Mr Bouchard's appearance in France, where he's trying to drum up support for his bid to separate from Canada and where he attempts and succeeds to get a photo op with Mr Chirac, and Mr Chirac giving him what appears to be implicit support of his bid to break up this country. I found it to be extremely irritating. It upsets me. It's an issue that we have to deal with.

I can imagine how France would react if we went into Corsica or Brittany and started promoting their separation from France. It's my understanding that France wouldn't allow such a thing under its Constitution, yet they would implicitly seem to be supporting Quebec's efforts to do the same thing. I find it extremely upsetting.

I was at a Parliamentary Conference of the Americas held in Quebec City the weekend before last. I was one of

approximately 700 or 800 delegates who attended from all over North America, from South America, from Central America. There were people from Canada, and the United States was there in full force. It was my understanding and the understanding of most delegates from Canada, anyway, that the issue of Quebec's separation would not be an issue that would be brought up at that conference. Yet Mr Bouchard chose an opportunity in his address to the delegates to bring up this very subject.

I have a halting understanding of the French language; I wish I had a better understanding of its technicalities. I can get by quite handily, but when it comes to dealing with the technicalities of the French language, I wish I were much better than I am. When I was hearing his speech in French, I thought I heard him saying things I didn't think he should be saying, but I wasn't sure, because of my lack of knowledge. So I gave him some polite applause, and now I'm sorry I did, because when I got a translation of his remarks my suspicions were confirmed. As a matter of fact, I have a copy with me today of some of the things he said. I was quite upset.

In one area, in effect he said to the delegates who attended that he would not be discussing this issue; he certainly did. He asks this question: "Why, then, meet in Quebec, in the capital city of one of the smallest nations in the Americas?" He referred to it as a nation. "From a standpoint of population, it is only 1% of the total and the home of a people that speaks French, which is the least widely spoken language in the hemisphere." I thought he had said that, but I wasn't sure. It upset me when I did get the translation.

Another thing he said was, "Our friends south of the border are the greatest economic and cultural power the world has ever known. Our Canadian friends have the advantage of speaking the same language as the Americans do." In this, he's referring to "our Canadian friends" — not our co-Canadians but "our Canadian friends."

#### 1620

In another part of the address he said: "As you know, some people, such as myself, the members of my government and nearly half the Quebec electorate believe that Quebecers should go one step further in the twofold logic of integration and the bolstering of the national character by making Quebec a sovereign state associated economically with its neighbours."

The man simply will not quit what he's trying to do. We all know that he's committed now. I'm fed up with it and I'm insulted by it. I spent half my life as a citizen of Quebec and the other half of my life — and it's been a long one — mostly in Ontario, and two years in Alberta. Like the other members of this committee, we simply have to do something to hold the country together. It's too good a country to lose.

I was watching the Canada Cup repeat on Sunday night. I recall the days in 1972, 25 years ago, when this entire country was so united as a result of that great hockey series. It seems that this country only sticks together when we have a crisis — and people considered hockey to be a crisis in those days.



**Mr Bud Wildman (Algoma):** It was in those days.

**Mr Doyle:** The one thing it did do was improve our hockey here in Canada, but it was a great series and it brought this country together.

The point I'm trying to make here is that the effort of the premiers, when they got together in Calgary, was a good thing. I wish I had the intelligence and I was a wise enough man to know how I could supply a solution. I just wanted to get that off my chest. Maybe you'd like to comment on it.

**The Vice-Chair:** You've exhausted the government's time. I hope you feel better after that.

**Mr Doyle:** I'll feel better when we have an answer.

**Hon Mrs Cunningham:** That was interesting.

**The Vice-Chair:** We'll move over to the Liberal side and we'll continue our regular rotation now. You have another 20 minutes.

**Mr Grandmaitre:** I'm going to take the first five. I just want to ask my friend Mr Doyle, what did you expect from M. Bouchard?

**Mr Doyle:** Well —

**The Vice-Chair:** You know, that's probably a rhetorical question, as the Speaker would say.

**Mr Grandmaitre:** I think M. Bouchard will take every given opportunity to boast about Quebec and talk about separation. He's been doing it since the age of 19 and he will continue to do so until he's finally defeated in the next 15 or 25 referendums.

I realize how frustrated you feel. I feel the same frustration as well. I speak their language and I'm not always that welcome, so imagine how frustrated I am. I've spent a good deal of my life trying to mend our differences. I've always thought that speaking their language would bring me closer to a solution. I've never come close to a solution.

I'm still trying to really understand what Quebec governments — and I'm not only referring to M. Bouchard, but M. Lévesque, M. Parizeau. Even in the days of Lesage, Quebec always had a very special agenda, and it's difficult for the rest of Canada to understand or to take part in this agenda, because they refer to themselves as a people, a nation. It's difficult for the rest of us.

As the minister pointed out in her opening remarks, we have to work together, we have to try and find a solution to resolve those differences. Will we succeed? I don't know if we're going to succeed. Because right now a lot of people are frustrated — not only you and I, but a lot of people are frustrated. If we're going to tackle this issue, if we're going to try and find a common denominator that will satisfy our 10 provinces and our two territories, we will have to become much more open than we have been in the past. A little while ago we referred to Mr Rae and Mr Peterson, and even in the days of Bill Davis — to me, Mr Davis was Mr Canada for 25 years.

**Mr Alex Cullen (Ottawa West):** He was a strong supporter of the federal government.

**Mr Grandmaitre:** He was a very strong supporter of the federal government. Now we're trying to use the federal government — and I'm using the word "use" — to

achieve what has been the impossible. Every province has a pet — I was going to say "to beat," but I'm on record so I'll say a pet to flatter. I think we have to put aside our differences and try to reach a consensus. If we're going to be part of this attempt, I want to make sure we're on the right track, not only Ontario, but Alberta, BC, Nova Scotia, that every Premier is singing from the same hymn book, because otherwise we're not going to succeed. We can talk about our frustrations forever. I don't think we'll be able to satisfy Quebec using this formula.

I don't have a magic formula, but just to give you a small example, Mr Doyle, we have an agreement between the provinces of Ontario and Quebec on workers' mobility. We can't even agree on that, and that's a very small issue. I shouldn't say it's a very small issue; 35,000 Ontarians cross the bridge between Ontario and Quebec every morning in Hull, Gatineau and Aylmer, yet we only have 400 of our own people working in Quebec. I've been living with this for the last 30 years. It's a very unfair practice. Yet your government, when you were the third party, had a solution to all this. We have an understanding, but it's not being applied fairly.

If we want to resolve or tackle the global picture, we will have to put in place these very small, minute agreements we have in place now. Sales tax, workers' mobility, you name it — especially sales tax. It's a big issue. We're losing money to the province of Quebec, millions of dollars every year. This has been going on for 25, 30 years and we haven't resolved this. Now we're looking at the global picture and we're saying, "Quebec, we love you, we want you to stay in Canada," but we can't have them respect two very small agreements. I'm frustrated too.

**Mr Cullen:** Just to bring us back to a version of the estimates, I have a couple of small technical questions to ask, and then I'll come back to our favourite subject, which is fixing the country. I've just discovered that, like education, everyone's an expert on fixing the country, and there's not one way to do it.

Coming back to more technical questions, I have to assume that provincial ministries and federal ministries have established their own bilateral relations and that your office is only consulted in terms of process. For example, where their Ministry of Natural Resources has just recently announced it is not going to provide a service that involved the Department of Fisheries and Oceans, you're only involved peripherally in that you saw the piece of paper but you're not involved otherwise. Am I correct in that?

**Hon Mrs Cunningham:** There would be some issues that would be brought to me with regard to my work in representing Ontario on both the social policy council and the non-social policy council, which has not been as active but is working on its plan to report back to the premiers in about December. So you're correct; that would be an issue that may or may not come to the attention of the intergovernmental affairs ministers.



1630

**Mr Cullen:** Would it be fair to say that the lion's share of the work would be evolving towards dealing with the constitutional issues?

**Hon Mrs Cunningham:** I would rather state it this way — because we're actually trying not to use the word "Constitution"; it's a negative and we've all talked about it.

**Mr Cullen:** I grew up on Fulton-Favreau.

**Hon Mrs Cunningham:** I know; me too. By the way, welcome. It's the first chance we've had to say hello to each other.

We're trying, but not all of us are very good at it, to talk about unity. The premiers basically decided they wanted to work on making day-to-day changes to the federation that wouldn't affect the Constitution at this point. It'll be interesting to see what the public tell us about that.

I'm basically involved in the unity file and many other files that have to do with sectoral ministers. In Ontario it's kind of unique. We have overlap and duplication between our own ministries that we have to be worried about. From time to time we help other ministers, as we did — Mr Grandmaître talked about our mobility agreement with Quebec, which we did get a signature on, which isn't working to the extent that we want it to. But at least we were able to get involved and push the process forward. This is a coordinating ministry and it's a ministry that basically advises the Premier.

**Mr Cullen:** Let's take a unity issue that's a provincial responsibility but it's in the Constitution and it involves all the players. I'm speaking about the denominational characteristic of education. We've seen Newfoundland take the first step with its constitutional amendment to de-denominationalize education. We know Quebec is going through its process. It begs the question: When is it, or is it, going to happen here in Ontario?

Saying this after having been a candidate in 1985, I'm viewing these changes with great interest. What can you tell us about initiatives there, or is that something I'm going to have to chase the Minister of Education on?

**Hon Mrs Cunningham:** It would be a policy issue for the Minister of Education, but again, it's our job there to be up to date on these issues that have to do with education as well, any federal-provincial arrangements across the country. It would be my job to advise and work with the Ministry of Education but basically the Minister of Education would have the lead on that. But this is not a policy of this government, nor has it been a policy of other governments. Mainly, we would talk about the Quebec National Assembly's policy and the work that's going on with Mr Tobin in Newfoundland.

**Mr Cullen:** In terms of coordinating, my role, coming from Ottawa, which is of course the government town, and having been active in local issues, housing issues as an example — I was very active in a coalition to protect social housing in Ottawa-Carleton called Our Homes/Chez Nous.

One of the things we discovered going through the back alleyways of bureaucracy was that some of the issues with respect to social housing that our federal government is very much interested in are somehow related to the harmonization of sales tax. That may be spurious, that may have been just an idle conversation somewhere, but I am wondering about the trades that may be asked for, and your and your ministry's role in this — or is this something that would be more directed to the Premier's table, that is, the kind of bartering that takes place? If we are going to proceed somewhere in decentralizing powers to provinces, then what else would be given up along the way? What agreement would be made among first ministers to accomplish that?

Therefore, the question is, what role does your ministry have in participating in that process, or is it something that's more cabinet and more the Premier's office?

**Hon Mrs Cunningham:** We may advise when it comes to a strategy around negotiations across issues that different ministers would have. On the social housing piece, my instinct is that minister would have dealt on his own in discussions with the federal government.

**Mr Cullen:** It was actually the harmonization of tax and someone making a linkage quid pro quo —

**Hon Mrs Cunningham:** To the two?

**Mr Cullen:** Here is the province of Ontario seeking to devolve its responsibility on social housing to municipalities, but it doesn't have full title. It requires the participation and cooperation of the federal government, because it has equity in a lot of the social housing that exists in the province, in partnership with the provincial government, and to facilitate devolution requires federal cooperation. That currently is being withheld; negotiation between the province of Ontario and the federal government has been suspended.

Concerns are being expressed by the federal government, which by the way I share, but also we know that the federal government would like to harmonize its GST with PST. It's the whole issue of, how does one play one card to the other? I'm not interested in the actual policy outcome; I'm just curious as to where you fit in the loop of things, because that would be the finance minister for the government of Ontario. I don't know if your ministry would be plugged into any of that.

**Hon Mrs Cunningham:** These two have been very public. It was the federal government, I think in its 1996 throne speech with regard to housing, that wanted to talk about an orderly transfer.

**Mr Cullen:** Yes, and it was in the budget, two budgets ago.

**Hon Mrs Cunningham:** Yes, it was the throne speech and the budget. We have some provinces, I think New Brunswick —

**Mr Cullen:** Saskatchewan.

**Hon Mrs Cunningham:** — and Newfoundland and the Northwest Territories.

**Mr Cullen:** I haven't seen that agreement; I've seen the others.

**Hon Mrs Cunningham:** So here we are in estimates talking about the issues of intergovernmental affairs. We're always looking for ways to be more successful for the public of Ontario in reaching any agreements with the federal government.

You could be helpful in that regard. If you know some things we haven't done or you're aware of some issues that make some of your federal colleagues unhappy, our responsibility is to work with the federal government around one of their objectives and make certain that we get an appropriate agreement for the public, the taxpayers of Ontario. In that regard, I wouldn't expect that one file would be used as leverage against another, but it could be. I think you have every right to discuss that with the Minister of Finance or the Minister of Housing, and give them the absolute best advice you can give them.

**Mr Cullen:** I'm being encouraged to give advice. I appreciate it.

**Hon Mrs Cunningham:** It's true, because when I was in opposition — I can tell you right now there are opposition members who operate differently from other opposition members. My experience in this House has been that most people know who they are. I think I was fairly successful in opposition myself, and some of my colleagues were as well, in working with both of the former governments and actually getting private members' bills through.

I see a lot of opposition members who are extremely helpful to the government of the day — you're sitting beside one of them — who showed the leadership on the labour mobility piece. I have to say that when the NDP was in power, Minister Lankin showed a great deal of support as well. That was an issue that all three parties worked on.

If you've got another one, I welcome your input. If you need to talk to the Minister of Housing or the Minister of Finance and you think you can be helpful, I can tell you we represent the citizens of Ontario. The federal government has looked at a policy. They want us to work with them. If there's a reason that we're not working with them — I think you started by talking about the back doors or the channels or the streets of bureaucracy.

**Mr Cullen:** Yes.

**Hon Mrs Cunningham:** Funny, isn't it?

**Mr Cullen:** Yes. It works, though.

**Hon Mrs Cunningham:** Challenging, isn't it?

**Mr Cullen:** That's right.

**Hon Mrs Cunningham:** The point is, I think there are areas where we can work together, whether we're part of the government or whether we're part of the opposition. There's been a lot of working together of members over the nine years I've been here.

**Mr Cullen:** The last thing I want to touch on, to come back to the nation-building part of things — I'm very much interested and concerned about both content and process coming out of Calgary, content in terms of the trend towards decentralization. I can compare and contrast with what's happening locally to the municipalities. I think that kind of debate within our province is going to be very necessary. Bill Davis is not even dead yet and the kind of

Canada he saw, the kind of role Ontario played, is still shared by many Ontarians, even though we clearly understand the circumstances have changed. It's not the days of the 1960s and 1970s any more.

But also process. I was a great Meech Lake follower — I guess that's the wrong word, but I ended up chairing a No committee in Ottawa West.

1640

**Mr Wildman:** You jumped right into Meech Lake.

**Mr Grandmaitre:** I remember.

**Mr Cullen:** We had a little slogan: We wanted to clean up Meech Lake and we wanted to amend the accord.

**Hon Mrs Cunningham:** Much to the chagrin of the Ontario government of the day. I remember that.

**Mr Wildman:** There was a famous cartoon about Mr Trudeau and what he did at Meech Lake.

**Mr Cullen:** Yes, indeed. The concern back then, of course, was the impact on the charter. I have seen minister Stéphane Dion in action in his search for alternate wording, and I support that. I don't have a problem recognizing that indeed Quebec within Canada is distinct.

I have a concern about what happens to the Charter of Rights and Freedoms, because you cannot create one class of Canadians where the charter applies one way and another class of Canadians where the charter applies another way. We'll leave that to another day. That's going to be well-worn ground when we go over that.

It's the process of consultation. Although I'm a great believer in using all avenues, I've just discovered, for example, that Hansard is no longer available in print form for the general community outside this building; it's in electronic form. Everyone is very caught up with the Internet and what have you, but then again when you look at the penetration of personal computers into homes, there are a lot of people who do not have it. It's not even a majority in our population.

I am concerned about not only having something to consult about, but where the consultation is to lead. What is the point of the exercise? Simply to say, "We're nation-building," begs the question, "What kind of nation are you building?"

We've had the discussion even within our own caucus about the purpose of public consultation. If it is to end up with a Canada that has either more centralization or less centralization, then those parameters have to be out there so people can see the choices and then come down to have a discussion having an idea of what choices are before us. If I go out and consult about something that's happening in my community, my shopping centre wishes to expand, people know that it's either expansion or not expansion; with expansion, we'll deal with parking, we'll deal with traffic, we'll deal with safety, security, whatever. We don't have that sense here.

If I look at the Calgary declaration, we don't have a sense of what the public consultation is about, because quite frankly the declaration itself doesn't do anything. It doesn't change the current, existing situation; it doesn't do anything. I'm very concerned about the nature of consultation. Expecting MPPs to go and hold town hall meetings



in itself is not helpful. Perhaps you'd like to respond to that.

**The Vice-Chair:** Thanks, Mr Cullen. Your time is up. Maybe the minister would like to respond the next time around. Mr Wildman had to go; Mr Bisson is coming back. Could we move to the government side and then when Mr Bisson comes back we'll return to the NDP. Is that fine?

**Mr Cullen:** For 10 minutes?

**Mr Doyle:** Sounds good.

**The Vice-Chair:** Okay. Mr Doyle, you had a question?

**Mr Doyle:** I wondered, since I spoke out the time and didn't give the minister a chance to respond, if maybe the minister has some comments on what I had to say. I don't know, Minister, whether you do. If not, I have other questions I could go to.

**Hon Mrs Cunningham:** I just think that what you were talking about is of significant concern to Canadians. Canadians are proud of their country and quite frankly — this is my view, and I invite others to use our time to talk about it — they don't like it when we've got a Premier who is clearly focused on taking a province out of the country. I don't know how else to put it.

Everybody has a different way of expressing their horror with regard to a person who is focused on dividing Canada. What I found interesting in looking around at my colleagues when you and Mr Grandmaître described your experiences, that you were surprised — I think that's true of all of us when we first meet individuals, and this is not the first individual but this is the one who happens to be the Premier of that province at this time who is totally focused on separation.

It is a shock, especially to citizens in Ontario. Most of us, growing up, our great dream was to visit Quebec, to learn a second language. If you didn't go to Niagara Falls, you went to Quebec City when you were in grade 8, if you were really lucky. It hasn't changed for my kids, and now I'm finding out that it hasn't changed for even that next generation, many of whom have grandchildren. They're starting to save for their college education and their grade 8 trip.

Having said all that, we're somewhat appalled. That's why we're in this meeting. We can talk again, but we don't want to be a group of members of an elected assembly who don't do our best. That's all of us.

**The Vice-Chair:** Now we'll return to the NDP for their 20 minutes.

**Mr Wildman:** I've listened with interest to the comments various members have made and I do appreciate the commitment that all members of the Legislative Assembly, no matter what political stripe, owe to the country as Canadians. I listened with care to Mr Doyle's comments and understood his frustrations.

I want to raise a number of questions that I think go beyond the question of simply saying, "We must do something" — don't misunderstand me; I'm not being critical — or that we must all love Quebec and love Canada. I think all of us as Canadians have a tremendous

feeling for our country and for the many diverse parts of the country, including Quebec.

I honestly think the framework for agreement that was arrived at in Calgary goes somewhat beyond process. I think it has within it a statement of principles which are substantive and which are significant. The statement that all provinces are equal is of significance to all provinces, and I suspect particularly to a province like Prince Edward Island.

The statement that Quebec is unique in its language, culture and civil law is also significant. I frankly don't agree with those who have said it doesn't really mean anything. It's to state a truism of course, but it also may mean something. I know M. Johnson believes it means something, particularly because the statement that accompanies that is that the government of Quebec and the National Assembly — the Legislative Assembly I think it actually says — have a role to play in protecting the language, culture, law tradition, the uniqueness of Quebec. I think Mr Johnson in Quebec believes that carries with it some legal meaning.

So when the minister says, "We don't want to talk about constitutional change; we're talking about process, we're talking about the Romanow formula of 80% making the country work, 20% constitutional, and we haven't got to the 20% yet" — I think we have, if Mr Johnson is right. Because one of the next statements in that set of principles is that if any province gains more powers — I'm not quoting it exactly, because I'm doing it from memory — then those powers are available to all provinces who wish them. I think I'm being fair in paraphrasing that.

**1650**

**Hon Mrs Cunningham:** You're doing very well, Mr Wildman.

**Mr Wildman:** "If any future constitutional amendment confers powers on one province, these powers must be available to all provinces." Of course, it's optional to those provinces whether or not they wish to avail themselves of such a change.

To me, those are substantive statements. They're not just process statements. Those are statements which could be translated into constitutional language if that was the desire of Canadians and the desire of the various provinces of Canada, as well as the federal government.

My question is this: When we begin to consult in Ontario, however we decide to do that, with the citizens of this province, what are we going to be saying about those statements of principle? Are we going to be saying that we believe they carry with them legal weight, or could carry with them legal weight, or are we going to be simply saying, "This is just a statement of love for Quebec"?

**Hon Mrs Cunningham:** I think that it's not what we're going to say that is going to matter nearly as much as what the public say. But having said that, you do have an interesting point, and that is, part of this exercise all of us have agreed to, even in this meeting, is that we have to send information out if we're going to get a good discussion. We have to provide some level of education, knowledge, information, whatever word we choose to use,



to the public. They deserve to have some good information.

Perhaps, Mr Wildman, we should be thinking about the point you've just raised. Without influencing people's thinking, at least give them some information so they can tell you and me what they think. What I liked about your lead into this question was — and I thought you had it absolutely correct — that we're not yet talking about constitutional change, but you implied we might be. Depending on what we hear, we have to be prepared to deal with that too.

That is a huge responsibility for all of us. We'll have to decide in this assembly how we put all this information together. We will decide. There will be at least a small committee of some of us who will say: "Who's going to put this together? Who's going to decide the next step for Ontario? What kind of recommendation should we be making to the Premier with regard to either action or non-action by our Legislative Assembly at this time?"

We probably will have some precedents. I know the one hope of the Premier was that the public would have the amount of time they need. We have to make that interim report, so we know we've got that deadline. We want to influence the thinking of the people of Quebec, so we somehow have to get to that deadline. You yourself will probably have a good feeling about just how far we can go, whether we're looking at a resolution in the Legislative Assembly or just what kind of options we have. We could put those options out to the people as well; I know other provinces will.

**Mr Wildman:** I think the statement of principles is an attempt to bridge a very wide gap — some would say it's unbridgeable — between those who believe in asymmetrical federalism and those who believe in equality of all the provinces. Because on the one hand we're saying that Quebec is unique, for obvious reasons, and that the Quebec government and the National Assembly have a role to play in protecting that uniqueness, and on the other hand we are saying that all provinces are equal and that if there is constitutional change which confers new powers on one province, those powers must be available to all.

If we are going to bridge that gap, it is going to take more than only listening to the citizens and asking them their views. As you've indicated, it's perhaps going to take education of some sort; it's also going to take leadership. As I've said before in these estimates, that involves political risk. While the Premier has said that he doesn't believe any political leader in Ontario has ever lost votes because he was trying to hold the country together, I do know what has happened to some leaders in this province who have made a very strong and genuine commitment to the country. I believe that risk must be taken and that it is better to have tried and lost than not to have tried. I'll just leave it at that.

I would like to ask some other questions with regard to your role in relation to other provinces and the federal government. I have before me some documents that were put out at the end of the 1996 annual premiers' conference. They talk about rebalancing as a key priority for

Canada, to demonstrate the Canadian federal system is flexible. They also talk about harmonizing environmental management.

I must say, as someone who would describe himself as an environmentalist, I find that very worrisome. I think we should harmonize, but I think we should be harmonizing up, not down. I won't point any fingers here, but I will point out the very active role of Alberta around this file for many years. I'm not pointing at any particular government of Alberta.

**Mr Cullen:** There aren't too many to choose from.

**Mr Wildman:** I'm not saying the Klein government or his predecessors particularly; they've all taken a similar position. That is that we must harmonize, but we must harmonize with Alberta.

I remember the first time I met Mr Klein, if I'm allowed an anecdote, when I was Minister of Environment and Energy. He said: "Oh, you're Minister of Environment. That's a great, friendly ministry. You keep meeting the friends of this and the friends of that, and you think they're great friends until they throw a dead fish at you."

**Mr Cullen:** Did it ever happen to you?

**Mr Wildman:** No, but it obviously happened to Mr Klein when he was environment minister. I did meet a lot of friends in that area.

I would like to have some comment on the progress that is being made with regard to harmonization and what this province's view is, particularly considering the changes we've seen in this province with regard to environmental regulation, whether or not we are attempting to bring those who might be less enthusiastic about regulation along to match our strong commitment to environmental protection, or if this provincial government might be tempted to de-regulate even further than they've proposed to do already in order to match the tremendous effort the government of Alberta has made to protect its environment.

**Hon Mrs Cunningham:** First of all, I can't help but comment on your initial comment about rebalancing up. Rebalancing is about deciding who does what. There are obviously areas where the federal government will want more responsibility.

**Mr Wildman:** Don't misunderstand me. I wasn't saying up in terms of up to the federal government; I was saying bringing all the standards up to a higher level.

**Hon Mrs Cunningham:** I just want to clarify that, that's all.

1700

**Mr Wildman:** No, not at all. I don't think we harmonize by saying, "This government," whether it's a federal government or a provincial government, "has lower standards, and therefore we all harmonize with those lower standards." Rather, we look for the highest standard and say, "Let's bring all the other provinces and federal government up to that standard."

**Hon Mrs Cunningham:** Obviously, this is one where the Minister of Environment and Energy would have the lead, but I can say that while the federal-provincial discussions on environmental harmonization have been going on for roughly four years — two with us, two with the

former government — there are clear indications, and you would know this better than anybody, Mr Wildman, that there's some real progress about to be made. The Canadian Council of Ministers of the Environment will be meeting very shortly and it's expected that they're going to endorse a multilateral environmental accord and three subagreements, one of which does deal with environmental assessment.

All this should be music to your ears, because your government had a huge role to play in this regard. As a matter of fact, when we first became the government, we thought there would be signature then. We expected real progress within a year, but it didn't happen. However, we do have a change, and at the 1997 annual premiers' conference, Ontario and the other premiers, again with the exception of the Premier of Quebec, were unanimous to move forward on the environmental harmonization initiative. It is part of the communiqué.

The communiqué serves two purposes. One is to choose the areas of priority and let the public know what the premiers decided upon. The other is to light a candle and say, "Get on with it," to certain ministers. I can only say that there's an agreement here to finalize and sign this environmental assessment subagreement as soon as possible. That's where it is fed-prov now.

**Mr Wildman:** When we come back in the circulation, I will get to questions around the thorny GST harmonization question, but I would like, when it's back to the third party's turn, to get some analysis from the minister about the progress that has been made with regard to the national children's agenda and the youth employment strategy, and questions around student loans and debt among the provinces and the federal government. Do we have any more time?

**The Vice-Chair:** You have five more minutes, Mr Wildman.

**Mr Wildman:** If that's the case, I'll deal now with some of the questions around the GST harmonization. I know it's been the position of all in this assembly and most provinces that arrangements around any attempt to harmonize the GST with the provincial sales tax that include compensation should ensure that the same compensation is available to all provinces. So the provisions that were made for the maritime provinces and Quebec should be available to any other province that might decide to harmonize.

I must say I don't personally think we should be harmonizing, because I'm still waiting for Mr Chrétien to eliminate the tax. But if he and his government are not going to live up to the commitment they made in 1993 — I never thought I'd be agreeing with Nunziata about anything —

**Hon Mrs Cunningham:** We can't afford to print these Hansards, so you're okay.

**Mr Wildman:** If we're not going to see that, then I want to know what progress, if any, has been made with regard to ensuring that compensation will be made available to Ontario and other provinces, similar to what has been done for Quebec and the Maritimes.

1700

**Hon Mrs Cunningham:** I'll start at the end. This, of course, was an issue at the 1997 annual premiers' conference. There are a number of finance issues, and you're absolutely correct: The federal payment was some \$961 million to the three Atlantic provinces in order for them to harmonize the sales tax. We're footing about \$400 million of this cost here in Ontario. Those are real numbers that have been analysed by our own finance people, in cooperation with other finance ministers.

As a result of the big challenge we have along many files where we actually are at a disadvantage, the premiers agreed there should be a review of federal tax policies by the federal, provincial and territorial finance ministers to ensure consistency, non-discrimination, fairness and transparency.

I might add that finance ministers, over a long period of history, have had a life of their own. I'm being fairly blunt, but I think it's time we all understood, to the best of our ability, these issues that are of concern to us. This may be part of educating the public across all provinces where they have done a balance sheet, because we need to know what it looks like. Basically, it's a non-partisan issue. We just want a fair share.

**Mr Wildman:** Just to clarify, is Ontario taking the position that this province and other provinces should get the same compensation as Quebec and the Maritimes, or are we trying to make a deal with regard to changes to the employment insurance premiums and so on as a price for harmonization?

**The Vice-Chair:** Quickly, Minister.

**Hon Mrs Cunningham:** I'll quickly say this: I, in my head, will not mix this. Ontario has always said, Mr Eves has said, that we're open to harmonization if it costs less money for the taxpayers. If you're harmonizing two taxes and you're looking for a more efficient delivery system, it should cost less money.

**Mr Wildman:** Yes, but that doesn't answer whether we're asking for the same compensation.

**The Vice-Chair:** Your time is up. Maybe we can return to that at a later time. The government has 10 more minutes.

**Hon Mrs Cunningham:** Time's up, oops.

**Mr Joseph N. Tascona (Simcoe Centre):** I just want to follow up to the minister on Mr Wildman's subject with respect to the goods and services tax. Obviously there hasn't been an agreement reached. I'm kind of interested in what the progress is and the reasons we haven't been able to reach an agreement. There is also talk right now at the federal level, because we have a surplus, supposedly, about eliminating it or reducing it. I don't know whether that adds to the dynamics of the discussion or not, but I'd like to know where we stand in terms of not being able to reach an agreement or where we are in trying to get an agreement.

**Hon Mrs Cunningham:** With regard to the GST harmonization, we've made a policy statement, and that is that if it reduces taxation for the public of Ontario, we will pursue it. We rejected Ottawa's proposal for the



harmonization, as you're aware, because it was going to shift an estimated \$2 billion in taxation from businesses to the people in Ontario. So the proposal was not acceptable to our government, nor would we have expected it to be acceptable to any previous government, had it been proposed. It was not a good, fair deal for the people of Ontario.

**Mr Tascona:** Was the proposal that had been made a combined 15% sales tax? What was the proposal exactly?

**Hon Mrs Cunningham:** I'm afraid to guess. I knew it at one time. I don't remember what it was. It was to harmonize at some level, but whatever the negotiations were — I think at one point they were looking at an extension of the base as well.

**Mr Wildman:** One that would be extended to other provinces with PST.

**Hon Mrs Cunningham:** Yes, that's right.

**Mr Tascona:** There are a number of components to it. There's the actual figure as to what the sales tax will be; there's also the base in terms of what goods and services it would apply to. Have there been any negotiations on the base, for example?

1710

**Hon Mrs Cunningham:** No, because the other provinces are not happy; they've expressed their discontent with the agreement that was made with the Atlantic sales tax harmonization and compensation deal. The whole discussion has become a much bigger issue. There was a discussion in New Brunswick, and I think it's extremely important to note that for the first time the premiers said to the finance ministers, "You're to meet together to discuss many issues of tax policy." There are four or five that we've been interested in, and the opposition parties have too, because they've raised them in the House. We've put them all on the table and we've said we want consistency, we want non-discrimination and we want fairness and transparency. I'm sure this will be one of many tax policies that will be raised.

**Mr Tascona:** In terms of the base, I take it the federal position is that they have a larger base than the current provincial sales tax and they haven't changed from that position. In terms of harmonization, is it as simple as saying, "We want 8% plus 7%, which equals 15%"?

**Hon Mrs Cunningham:** I don't believe it was that simple, but we can get more detail for you. The finance minister has the lead. I'll try to get you more information on where the last offer was. We haven't discussed it since.

**Mr Tascona:** I think that's important, because this situation may be one that's in a state of flux, depending on whether the federal government is going to listen to its own federal colleagues versus the provincial finance ministers.

One other area is the current infrastructure program. What's the status of that? Are there any future plans for federal-provincial programs?

**Hon Mrs Cunningham:** Are you talking about the one that was just agreed to in relation to working with the municipalities and making priorities?

**Mr Tascona:** Yes.

**Hon Mrs Cunningham:** Our province did make some gain in those discussions by focusing on areas that were a priority for the elected MPPs in this province. Otherwise, we were saying — here, I've got some of it now. The Minister of Transportation has the lead, by the way, on the infrastructure program. We signed that extension to the 1994 agreement. It means another \$459 million invested in Ontario by the federal government and our local partners. We made some gains in our discussions.

At the annual premiers' conference, the premiers endorsed the concept of a new national infrastructure program to make the strategic investments that I tried to talk about earlier. The strategic investments had to be around economic development and job creation. Those were long-term, not short-term, and we wanted results measured into those priority projects. That happened to be the focus of the premiers at their conference, economic development and jobs, and they asked their finance ministers and their transportation ministers to report to them on the principles for this new program.

We want two things in the new infrastructure program. I believe this was something we all agreed to. We wanted to take a look at working with the private sector — because we think they have a role to play — post-secondary institutions, non-profit organizations and municipalities. It may be housing, if we can work something out with the private sector and non-profit groups. That's one of the focuses. The other is that it's within our own fiscal spending plans. We're not going to add new dollars, because we've very carefully set our budgets with our business plans; we know what those programs look like through to the end of the next fiscal year and we want also that the federal government is committed to a full sharing of all the costs.

**Mr Tascona:** When do you think we're going to get the results of how we did in terms of economic development and jobs?

**Hon Mrs Cunningham:** Are you talking about from Stats Canada?

**Mr Tascona:** No, in terms of what you just said. You indicated that you wanted to make sure the program was effective.

**Hon Mrs Cunningham:** Again, I'm going to have to say to you I don't know what kind of progress we've made in the tracking, but I will check with the finance minister, as I do after these estimates if there are questions, and certainly in this regard the Minister of Transportation. So you've now got two questions that I have to get responses for, and that's fine.

**Mr Tascona:** Ministerial undertakings.

**Hon Mrs Cunningham:** Yes.

**The Vice-Chair:** Any other questions on the government side? Then we'll go back over to the Liberals. We will go for the 20 minutes and then we'll end off with the NDP for their 20, and that will bring us right to 6.

**Mr Wildman:** Save the best for last.

**The Vice-Chair:** While we have a minute, Mr Wildman, you requested some material in answer to two



questions. Minister, do you have that material with you, or would you need some time to prepare that?

**Hon Mrs Cunningham:** Refresh my memory.

**The Vice-Chair:** Youth unemployment.

**Hon Mrs Cunningham:** I can talk about that.

**Mr Wildman:** Sorry, I don't want to take someone else's time, honestly.

*Interjection.*

**Mr Wildman:** No, I wasn't. He suggested it; I didn't.

**The Vice-Chair:** We have a minute.

**Mr Wildman:** I wanted to talk about the national children's agenda, what progress is being made there, the youth employment strategy, and student loans and debt.

**Hon Mrs Cunningham:** I can give the beginnings of an answer on that. The only thing I would add is that the ministers of community and social services are meeting next week, so we would have more information, hopefully — I'm not sure, but maybe in time; maybe not.

**Mr Wildman:** That's particularly why I raised it.

**Hon Mrs Cunningham:** That's right. I can certainly answer that.

On the other one, the education ministers did meet a week ago, but I have not been briefed as to any progress. But I can certainly let you know where we stand as of about a month ago.

**The Vice-Chair:** We have 40 minutes left today, and that will be divided evenly among the two opposition parties, starting with the official opposition.

**Mr Grandmaître:** I want to go back to the Calgary declaration. When you look at number 4 in the declaration, "...diversity includes aboriginal peoples and cultures...." the aboriginal leaders were not included in this statement. What will be the consultation process with the aboriginal leaders to get them on side, to agree to this kind of statement? Because they were not part of the final solution or the final declaration, how will you get the aboriginal leaders involved in this consultation process?

**Hon Mrs Cunningham:** Do you have the first page of the press release there?

**Mr Grandmaître:** Yes.

**Hon Mrs Cunningham:** Obviously, this is a very important issue for the premiers and the territorial leaders. In the last paragraph, you'll see, "Premiers and territorial leaders remain committed to meeting with aboriginal leaders to follow up on the recent annual premiers' conference held in St Andrews." There were a number of issues there that they would be interested in, and I think we can assume they'll want to know about the implications for them in the public consultations, which are for all citizens. At this point, and I'm not sure there's any change, we've got it tentatively set for Winnipeg on November 18.

**Mr Grandmaître:** I read this, but we're already in the consultation process.

Are these bells a quorum call? These government members.

**Hon Mrs Cunningham:** Déjà vu, huh?

**Mr Grandmaître:** Are the aboriginal people in this consultation process at the present time, or will they find out on November 18 where everybody else stands? Has

there been consultation between our nine premiers and the aboriginal leaders? I'm sure that on November 18, when the leaders are invited, it won't be a complete surprise to them. Do they agree with those seven points?

1720

**Hon Mrs Cunningham:** Are you talking now about the aboriginal leaders?

**Mr Grandmaître:** Yes.

**Hon Mrs Cunningham:** I'm sure the aboriginal leaders will have information that they'll want to share with the premiers with regard to this document.

**Mr Grandmaître:** What I'm trying to get at, Madam Minister —

**Hon Mrs Cunningham:** Do they agree with the document?

**Mr Grandmaître:** Yes.

**Hon Mrs Cunningham:** I don't know. Isn't that the purpose of the document, as the initial framework for consultation? But do remember that this is just that, a framework. We expect there will be many other issues raised. They may be different in provinces across the country. In our province, it's our responsibility to disseminate all the information we get. Remember, I had talked about how all of us have to decide how we're going to do that. That will be part of the process that we in a non-partisan way decide on. You're quite right; we're going to have to take a look at the input from our own aboriginal population here in Ontario. We have had some meetings.

**Mr Grandmaître:** That's my next question. Have you or your ministry met with our aboriginal leaders, or have you started to prepare these people to think like we're all supposed to think?

**Hon Mrs Cunningham:** This is a responsibility of the Attorney General, who also has native affairs as part of his portfolio. There have been two inclusive meetings with not only that minister but other ministers. I attended one of the meetings where the leaders of the off-reserve nations were talking to us about their hopes and aspirations for programs and for the country. We have had two rounds that I'm aware of. There may be another date. Some of us are meeting individually with the groups as a result of those meetings. The Premier will obviously be advised of those two meetings. This has been an ongoing request, since at least Jasper, for a meeting with the aboriginal leaders. At the premiers' conference this summer they didn't achieve that in the past year, and that's one of the main reasons this date was set.

**Mr Grandmaître:** How about other cultural communities in the province? Will they be part of the global consultation process, or will they have their individual say?

**Hon Mrs Cunningham:** That's another piece as we take a look at how we're going to consult and who we're going to consult. I think there wouldn't be a member of this Legislative Assembly who wouldn't say this should be totally inclusive. That's something we have to take into consideration as we ourselves go out and consult with our own constituents. There may be different ways the members will want to consult with their own constituents. In your particular riding, or Mr Doyle's riding, or Mr Wild-

man's riding — he may choose, and share with us, how and who he will consult. That's the kind of information all of us will have to share with each other.

**Mr Grandmaître:** Who will be the deciphering officer for all this information?

**Hon Mrs Cunningham:** I think the MPPs are going to have to do their consulting with their own constituents, period. That's going to be one of the ways —

*Interjections.*

**Hon Mrs Cunningham:** I see some groaning here. Having said that, obviously that was one of the givens, that the elected members should show leadership in their own ridings. But how they do it will be different. I'm sure that won't be the only way we're going to consult. That may be a small part; it may be a large part. That's what we have to talk about together, within the framework that the premiers set aside, the guidelines for the process of public consultation. We ourselves have to answer these questions here in Ontario. We'll have some precedents by the time we finish answering them, because at least two of the other provinces will have launched their processes, including Alberta on October 2.

**Mr Grandmaître:** Now I'll feed you to the lions.

**Mr Cullen:** I'm aghast.

**Hon Mrs Cunningham:** You're aghast that the MPPs have to talk to their own constituents? You'll learn.

**Mr Cullen:** No, no. Learn? Excuse me. After six years of being on a school board and dealing with school closures, after three years on city council and dealing with shopping mall expansions and major changes of the level of service —

**Hon Mrs Cunningham:** I take it back; you don't have to learn.

**Mr Cullen:** I have lots of people to learn from. I haven't learned it all.

I'll get back. If we leave it in the hands of individual MPPs to consult with their communities, of course they will consult, according to their own styles and the needs of their communities, but the degree of coverage, the degree of debate will vary so widely, unless we are given a number of frameworks, such as a framework for the kind of public consultation, because I might just do a cable TV phone-in show once, whereas my colleague here holds meetings in every one of his schools, compared to someone who just puts out a householder that says, "Please mail back and put your own stamp on it," versus someone else — the variety will create what I will call a mosaic of ability to get back public opinion. I'm not sure we will have served the public well in giving them the information with which to participate.

We all know that when it comes to plebiscites or elections or what have you, people are focused on an event and they come out in various degrees to participate. I want to come back to —

**Hon Mrs Cunningham:** I have to interject. I like what you said. Those were great ideas —

**Mr Cullen:** Maybe we could talk about them.

**Hon Mrs Cunningham:** — reflecting the individual needs of communities.

**Mr Cullen:** Indeed, but the other half of that has to be giving the public the ability to participate in a meaningful way. If it's just left up to me to put out my take in my householder, and someone else says, "Just read the TV guide; I'm talking about national unity. Please call in, and that will do," that's not sufficient.

I have to come back to the framework and the process for public consultation. The first question everyone's going to ask is, what is the point of talking about this framework unless we're going from A to B? It's not clear to me just reading the framework that it indicates where B is. We can talk about where A is and we can discuss the framework, but where is B? If B means, "Let's talk about division of powers," or if B means, "Let's talk about a constitutional amendment that seeks to change something we have today to get to another B" — B1, B2, B3, B15 — these things have to be out there.

That also implies that if we are going to consult, there are pros and cons for different sides. I can remember the last go-around with Meech Lake and how stacked that was in terms of the ability for the legislative committees to hear from the public. Although there was a raging debate in the public, which I thought was great, and ultimately the public had an opportunity to express itself through the plebiscite on the Charlottetown accord, I think there has to be some non-partisan ability to frame the discussion.

If we're going to talk about decentralization and the government has an agenda with respect to decentralization, but we want the public to talk about it, in a sense the government should act as a catalyst for the process of consultation. Therefore, someone has to speak, for example, like they do in the Quebec referendum, that there's a Yes committee and there's a No committee, or that there is a public defender for this point of view and a public defender for that point of view, so people can get the different information and therefore engage in debate and come to some kind of worthwhile contribution to aid the Legislature, let alone the government, so that we get to B. But it's not clear to me right now what B is, where B is. If we're going to search for a B, God love us, that's going to be fun. It's so fuzzy out there.

1730

I want to make sure that if indeed the MPPs are going to be charged to engage in public consultation, we have questions and information that frame the debate, so that if I am talking about different rights across the country, I've got that; if I am talking about different abilities of governments to accomplish their stated objectives, I've got that out there, whether it's federal, provincial or municipal, for heaven's sake — municipalities, by the way, are the oldest form of continuing governance in this country, predating provincial or federal governments.

**Mr Grandmaître:** And the best.

**Mr Cullen:** Indeed. That's where they get the best politicians, I always say. No disagreement around the table.

**Hon Mrs Cunningham:** I agree with you; I was a school board trustee for 15 years.

**Mr Cullen:** There we are.



I know you need some time to respond.

**The Vice-Chair:** You're running out.

**Mr Cullen:** I'll stop right there. Perhaps you'd like to give us some feedback.

**Hon Mrs Cunningham:** Let me start with your talk about A to B. Remember, in this framework for discussion we have a responsibility here in Ontario to give information to the public that includes all items the other provinces will have information on. We may have a chance to see some of that work that's been done even though we're doing our own.

There are two issues here. I tried to answer it before. One is sending a message to Quebec. Daniel Johnson actually likes this framework. He likes the idea of talking about number 7.

**Mr Cullen:** He liked Meech Lake.

**Hon Mrs Cunningham:** Yes, but so did we.

**Mr Cullen:** The country didn't.

**Hon Mrs Cunningham:** And it didn't work. The key difference here is that many of us even in this Legislative Assembly, myself included, on more than one occasion were not asked. We gave the responsibility to the premiers, who worked with the leaders. That wasn't all of us. We had some mixed feelings about it, but in the interests of the unity of the country we all set them aside. There was never any public statement by any member that I can remember —

**Mr Cullen:** I don't think that served the process well, though.

**Hon Mrs Cunningham:** It didn't, and that's why this is an open public consultation, not only for us as elected MPPs who are supposed to show some leadership but an opportunity to get input from the public.

The one thing I'd like to close on here is that Canadians actually don't like it when their governments bicker. They want us to show some leadership. If we've got some areas where we don't work as well together across the provinces and territories or with the federal government, I agree with you: I think we should get that into the open. We didn't serve the public well by not talking about it before. One of the great challenges we've got, and it'll be interesting to see what we come up with on the education piece, is how well Quebec does in this federation.

**Mr Wildman:** Just before we go to the matters I raised, I would like to follow up on Mr Cullen's questions. I think he's raised some very important issues. If we're going to consult, we have to know what we're consulting about, and if it's simply the declaration from Calgary —

*Interjection.*

**Mr Wildman:** Yes. As I understand it, and correct me if I'm wrong, Minister, what the Premier is aiming at is an all-party resolution in the Legislative Assembly by either the end of this year or the early new year, stating the Legislative Assembly's support for the Calgary framework, and somehow leading to that all-party resolution there will be consultation with the citizens of Ontario and the Ontario government will act as a catalyst, whatever that means, for that process.

If we are going to reach an all-party resolution based on what we've heard from our constituents, we have to at some point come to grips with the questions Mr Cullen was raising. I'd like to know what is anticipated by the government, whether there's going to be an all-party committee in the assembly to consult with the public as well as the individual members, or if there's some other process contemplated.

**Hon Mrs Cunningham:** Certainly, step one, as we've stated here today, is to take a look at how we can best give the public good information, how we can help each other take some leadership roles in our own constituencies. There's lots of good advice we've had here today just in discussing things.

I know the Premier's expectation, and the statements he has made after consulting with the two leaders, is that the first part of this consultation process will be a report that will be ready for him to share with other premiers and perhaps even the federal government in time for Team Canada. It has never been stated that we have an end result in mind; that is something all of us will be in a better position to talk about after we hear from the public. Other governments at this point have made that statement; we haven't.

**Mr Wildman:** We still have the problem — I consider it a problem, to be quite frank; some of my friends in the Conservative Party may disagree with me — that somehow at some point we have to be putting something concrete to the public in a referendum. The Conservative Party in Ontario is committed to a referendum. We had a referendum on the Charlottetown accord, which carried in Ontario but was defeated in the rest of the country.

*Interjection.*

**Mr Wildman:** Yes, it carried in Ontario. It was very close.

We have laws in Alberta and British Columbia that require those provinces to hold referenda. It's unclear to me how we get from the point where we are now or even the point where we have an all-party resolution in the Legislature, if that happens, to the point where we actually have referenda. I don't understand that. It may be that the premiers haven't been able to come to grips with that at this point; I suspect that's the case.

If it's anticipated that will happen some time in the future, perhaps after the next Quebec election, okay, but I would like to have some idea if that's what is contemplated or if something else is contemplated.

**Hon Mrs Cunningham:** I've said before that we're not trying to rush the process. We don't have an end result in mind. That's going to be our decision, across government and opposition parties, after we disseminate the information. We don't have a hidden agenda. This is a new approach, a different way of doing things, because the old way didn't work. We want to engage the public in discussion. I use those two words carefully.

If I can be allowed a personal observation, and it is just that, I feel that at some point, you're right, we will have to have some kind of a result, but do remember that in the past when legislative assemblies took positions, they were

looking at constitutional reform. Our Premier stated publicly that he would be wanting to talk about changes to the Constitution where all provinces could be represented. That meant we would be looking for Quebec to be part of that. Hopefully, this whole process can have some impact on the citizens of Quebec with regard to a choice they might make.

**Mr Wildman:** I understand what you're saying. All I would say in concluding this seminar we're all participating in here is that it must have clarity. Oftentimes Canadians outside Quebec as well as many within the province of Quebec have criticized the questions that have been put to Quebecers because they were not clear. The Prime Minister of Canada has made the statement that if there is a decision to be made, it must be on a clear question that is understandable. I agree with that view. So I think our process cannot be a fuzzy one. It has to have clarity so that everyone understands. That obviously doesn't mean we all will agree, but we have to understand it or there will be even less possibility of agreement.

Having said that, could we come back to the issues I raised with regard to the relations between the provinces and the federal government to deal with some specific problems I enumerated, the first being the national children's agenda and where we are with that.

1740

**Hon Mrs Cunningham:** The Ministry of Community and Social Services has the lead on this. At the annual premiers' conference, the premiers discussed the work to date, because there had been some gain made on that work in developing this national children's agenda before New Brunswick. They agreed that this work, while it's still in its early days, will complement the more advanced work on the national child benefit by providing — what should I say? — a national approach to healthy child development. They want to move that agenda along and it's going to be a priority within the overall social policy renewal process.

All levels of government and the social services ministers and the health ministers or officials are preparing a report for consideration by ministers for the fall of 1997. They were working on that over the summer months. I'm not sure where it will appear, but I know the social services ministers will be discussing it in Newfoundland next Wednesday.

**Mr Wildman:** Is my understanding correct that Quebec may be prepared to opt out, or is that incorrect?

**Hon Mrs Cunningham:** I can't answer that question. They have not been active participants. Basically they've been observers on any social policy.

**Mr Wildman:** I certainly would not dare to speak for Quebec, but it would seem to me, knowing the position of the current government, and even of other Quebec governments, that their view would be, "Here we now have a federal government looking forward to the day when they're going to have a little extra cash, and here they come again invading a policy area which is in provincial jurisdiction."

**Mr Cullen:** It's called cooperative federalism.

**Mr Wildman:** I would say that even Liberal and Union nationale governments in Quebec have not been too happy with that approach.

**Hon Mrs Cunningham:** In fairness to the province of Quebec, their whole point has been that they want to be part of the design and the delivery of programs and that they don't want the unilateral decision made by the federal government; they want to be part of it. That's where it was interesting for me as a new minister to see both Mr Parizeau, who didn't stay for the social policy discussion in Newfoundland but wanted to — he had to leave at that point. But this year in New Brunswick, Mr Bouchard did stay for the discussion.

**Mr Wildman:** We'll hear more about that after next week.

I wonder about the national youth employment strategy. I think everyone understands that youth employment is a serious problem in our economy, right across the country; it certainly is in Ontario. I'm wondering if you could give us an update with regard to the national youth employment strategy.

**Hon Mrs Cunningham:** This one was, I would think, the focus. If you had to put a priority on any issue, this was it, in my view, at the annual premiers' conference. It certainly was the area our Premier was most interested in making some gains on. They directed all premiers' labour market ministers to develop a youth employment strategy by January 1998, so this one has a time frame on it. There's a lot of work being done. In developing this strategy with the other provinces, Ontario is going to be looking for the most effective and efficient ways to alleviate youth unemployment.

As part of the process, the premiers agreed, with the exception of Quebec this time, that the appropriate federal programs should in this case be available for, I'll use the word "devolution," or maybe comanagement or colocation, with interested provinces and territories. This is an area all governments, both past and present, have brought to the attention of each other, including the federal government, that there needs to be clear cooperation because there's tremendous overlap and duplication, and for anybody who has been on a school board, I might add, very little accountability in federal training dollars. We have all been working in this regard.

Obviously this has been a priority for us in Ontario because our citizens are demanding that our youth be trained for the jobs, to the best of our ability. Anybody with a school board background knows how frustrated we have been. Now here we are in government and we have an opportunity to change those programs, but we need the help of the federal government in this regard.

**Mr Wildman:** If I could then move to the student loan and debt situation, all of us recognize the importance of access to post-secondary education for students. With the increase in tuition fees right across the country and in Ontario, student debt has grown exponentially, and it will continue to grow. The increase in tuition fees and the proposal in Ontario to deregulate tuition fees has been justified on the basis that there will be an income-



contingent loan program developed between Ontario and the federal government. This has been talked about for a long time. We haven't been able to come to an agreement. The government of Ontario is not waiting until it's in place before increasing tuition fees; tuition fees keep going up.

Now there's a proposal that bad debt will be carried over for 25 years before it can be forgiven. Some of the financial institutions are a little worried about this, to say the least. What it means is that the average debt for students a few years ago was about \$7,000 when they finished university, now it's in the \$20,000-and-some range, and if this new proposal goes through, we're looking at \$80,000. It would be the equivalent of someone having a mortgage before they even start out in life and they don't have any house. Of course the financial institutions are worried about it.

I would like to know where we are in terms of dealing with the level of debt, forgiveness of debt and the development of a loan program that meets the needs of students.

**Hon Mrs Cunningham:** I'm going to talk about something I have been interested in for a very long time now. In the throne speech there is no doubt that the federal government stated, and I'm going to read here:

"An important role for governments is to ensure the widest possible access to post-secondary education. Canadians are concerned about the increasing cost of higher education, and the resulting debt burden on students. The government took some important measures to address this problem in its budget of February 1997. The government will continue to reduce barriers to post-secondary education through further changes to the Canada student loans program, increased assistance for students with dependants, and new scholarships to encourage excellence and to help low- and moderate-income Canadians attend university or college."

We can go on, but I think that's enough for the purpose of this discussion.

**Mr Wildman:** My concern is this: At the premiers' conference there was a commitment to review the Canada student loans program loan limits and to implement

improvements in time for the beginning of the academic semester beginning in January 1998. I'm just wondering where we are with that. Are we making progress?

**Hon Mrs Cunningham:** I would think there are ongoing discussions. I'm going to speak for Ontario here. There was direction from the premiers to the ministers of education and finance ministers to make progress here. We are having some interesting — for want of a better word — discussions with the federal government right now, but we do need their cooperation. My hope is that we will move forward on this.

With regard to — the Chairman's going to cut me off — some of the statements you made, I wouldn't mind having an opportunity to talk more clearly, but I was told that I have one minute to answer your question. We could have another discussion because I think this is a very fruitful area where we can —

**Mr Wildman:** It's very draconian, Chair.

**Hon Mrs Cunningham:** It has taken too long and we're all impatient. It's not a matter of blame. This is an area where —

**Mr Wildman:** It's an area I know he's interested in.

**Hon Mrs Cunningham:** The citizens want their governments to work cooperatively in this regard.

**The Vice-Chair:** You know what? I think that's an optimistic note that maybe we should stop on for this evening.

Before we adjourn, could I make a personal observation as the Vice-Chair? Today I saw something I hadn't seen here in two and a half years, when we were talking about our country. There was such a great exchange of information and ideas that didn't involve this part of the table. It was three parties communicating extremely well, I thought. Mr Wildman said it was a seminar. It would have been a seminar worth taping and showing to the people of Ontario. That's just a personal observation. I think we should be very proud of ourselves as committee members for what happened today.

**Mr Wildman:** It's all due to the Chair.

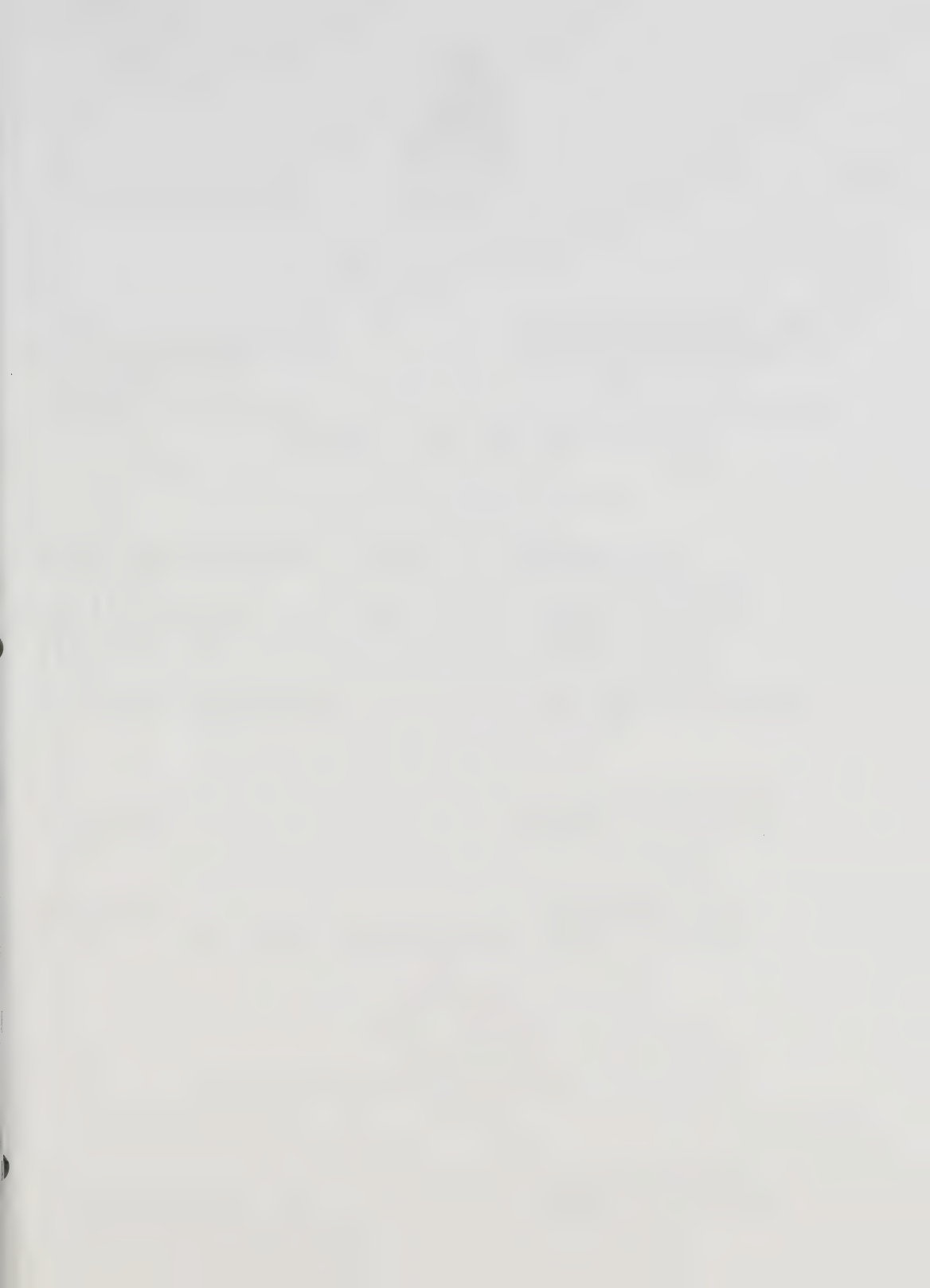
**The Vice-Chair:** We will reconvene tomorrow.

*The committee adjourned at 1751.*











## CONTENTS

Tuesday 30 September 1997

<b>Ministry of Intergovernmental Affairs .....</b>	<b>E-1105</b>
Hon Dianne Cunningham, minister	

### STANDING COMMITTEE ON ESTIMATES

#### **Chair / Président**

Mr Gerard Kennedy (York South / -Sud L)

#### **Vice-Chair / Vice-Président**

Mr Rick Bartolucci (Sudbury L)

Mr Rick Bartolucci (Sudbury L)

Mr Gilles Bisson (Cochrane South / -Sud ND)

Mr John C. Cleary (Cornwall PC)

Mr Ed Doyle (Wentworth East / -Est PC)

Mr Bill Grimmett (Muskoka-Georgian Bay / Muskoka-Baie-Georgienne PC)

Mrs Helen Johns (Huron PC)

Mr Gerard Kennedy (York South / -Sud L)

Mr Trevor Pettit (Hamilton Mountain PC)

Mr Wayne Wettlaufer (Kitchener PC)

#### **Substitutions / Membres remplaçants**

Mr Alex Cullen (Ottawa West / -Ouest L)

Mr John Gerretsen (Kingston and The Islands / Kingston et Les Îles L)

Mr Joseph N. Tascona (Simcoe Centre / -Centre PC)

#### **Also taking part / Autres participants et participantes**

Mr Bernard Grandmaître (Ottawa East / -Est L)

Mr Bud Wildman (Algoma ND)

#### **Clerk / Greffière**

Ms Rosemarie Singh

#### **Staff / Personnel**

Ms Alison Drummond, research officer, Legislative Research Service

XC 26  
- E77



E-52

E-52

ISSN 1181-6465

## Legislative Assembly of Ontario

First Session, 36<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Première session, 36<sup>e</sup> législature

# Official Report of Debates (Hansard)

Wednesday 1 October 1997

# Journal des débats (Hansard)

Mercredi 1<sup>er</sup> octobre 1997

**Standing committee on  
estimates**

Ministry of  
Intergovernmental Affairs

**Comité permanent des  
budgets des dépenses**

Ministère des Affaires  
intergouvernementales



Chair: Gerard Kennedy  
Clerk: Rosemarie Singh

Président : Gerard Kennedy  
Greffière : Rosemarie Singh

### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.





## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Wednesday 1 October 1997

Mercredi 1<sup>er</sup> octobre 1997*The committee met at 1548 in committee room 2.*MINISTRY OF  
INTERGOVERNMENTAL AFFAIRS

**The Chair (Mr Gerard Kennedy):** I call the meeting to order. Mr Grimm.

**Mr Bill Grimm (Muskoka-Georgian Bay):** Madam Minister, in my work at the finance ministry I hear that there's a lot of interest in the community about the efforts to establish a national securities commission. I wonder if you could update us on the discussion between the provinces and the federal government on trying to bring in one securities regulatory regime or trying to integrate the provincial regulators.

**Hon Dianne Cunningham (Minister of Intergovernmental Affairs, minister responsible for women's issues):** As you correctly stated, the Minister of Finance and you have the lead for Ontario on matters relating to this securities regulation. The update basically is that the federal government has proposed establishing a national securities commission. We've had some discussion of this in this committee. The Minister of Finance has stated that there have not been any negotiations on this issue in 1997 at all.

We continue to support the establishment of a national securities commission. In Ontario's 1996 budget statement, Minister Eves announced that Ontario would pursue an agreement with the federal government and other interested provinces to delegate securities regulation to a Canadian securities commission. However, in the 1997 budget he announced that Ontario would restructure the Ontario Securities Commission in the meantime and reduce the regulatory cost to businesses and investors to address this issue in light of the fact that we haven't had discussions in this year.

Quebec, British Columbia, more recently Saskatchewan, Newfoundland and Manitoba have voiced strong objections to aspects of the federal proposal for the commission. Several provinces are concerned about the potential loss of regional representation. That would be the big issue. Both Saskatchewan and Newfoundland have stated that they will not participate in this commission unless these concerns are addressed. Quebec and British Columbia stated at the outset that they will not participate in the federal model at all. That's the status at this point.

**Mr Grimm:** So we've got a long way to go.

**Hon Mrs Cunningham:** Yes. Basically, as the Ministry of Intergovernmental Affairs, it's up to us. We're expected to be, as part of our mandate, a coordinating body, where we check different policy statements we've made commitments to or questions we've received from other parties. On this issue, probably as a result of the questions we've had here and in fact as a result of the questions we've had in these hearings, we'll check with each of the ministers to see if these issues are a priority where we can be helpful or if they are not at the top of the priority list for the work of the ministry and the government.

**Mr Trevor Pettit (Hamilton Mountain):** Tell us a little bit about the status of Ontario's activities relative to international trade, treaties and agreements.

**Hon Mrs Cunningham:** In a global fashion, since we've become the government, we're obviously working on different aspects of international trade, treaties and agreements from time to time. The premiers in Newfoundland in 1995, which would have been the first APC that our Premier attended as a new Premier, certainly made a strong statement about our focus to work both with other provinces and with the federal government and, as a province, internationally.

The Minister of Economic Development, Trade and Tourism has the lead in international trade matters for Ontario. We know and we've certainly been extremely supportive of the fact that economic growth in Ontario is directly related to our success in this regard. We promote international trade through its Market Ontario initiatives and targeted trade missions. All of the members of the Legislative Assembly were invited to participate in Market Ontario about a year ago now.

Ontario also strongly supports the federal-provincial international trade efforts such as the Team Canada trips to Asia in 1996 and 1997 and the upcoming Team Canada trip to South America in early 1998. More recently, in New Brunswick premiers noted the importance of international treaties and the fact that they can have impacts upon provincial areas of jurisdiction and reaffirmed their objective of obtaining a federal-provincial territorial agreement on their role in the negotiation and implementation of trade agreements. They also called for the committee of ministers of international trade to be reactivated as soon as possible.

I think it's interesting to note with most of our work — at least since we have been in government — there has

been a new mechanism set up, for want of a better word. There were two committees set up by the premiers at that meeting in 1995. Our Premier Harris should take a lot of the credit for that. That's because there hasn't been a lot of work in two areas with regard to our cooperation and work either together as provinces and/or with the federal government. We set up a social policy council, and we set up a non-social-policy council. The non-social-policy council has not been as active. I actually represent Ontario on that council and confer with all of the ministers who have portfolios that would fit into the non-social-policy context. This year the premiers were somewhat discouraged to know that we haven't made the kind of headway that we should have made as provinces and as a country in this work of international trade.

**Mr Pettit:** I'd like to go on to something else right now. There is going to be a meeting of first ministers this fall, as you know. What, in your view, is the purpose of the first ministers' meeting? What will be the objectives of the province of Ontario at that meeting?

**Hon Mrs Cunningham:** At the conference of premiers — and that's not a good word — at the meeting of premiers, because it was an informal meeting, in Calgary, the nine premiers did contact the Prime Minister to suggest that all first ministers meet this fall to discuss social policy renewal. The Prime Minister did agree.

Special attention at that time will be given to health care and youth unemployment, issues that are certainly top priority for premiers and territorial leaders across this country as we are challenged, all of us, in our delivery of health care programs and utilization of our facilities such as hospitals. Youth unemployment has certainly been at the top of the agenda for all families across Canada. Those are two areas that the premiers have focused on this year; last year it was the national child benefit.

Ontario welcomes the fact that the first ministers will meet to tackle the social policy questions that have preoccupied premiers and the council of ministers for the last two years, and we look forward to the kind of work and cooperation we can have with the government of Canada and the Prime Minister, because a lot of the questions have been around the whole issue of unity. The more that our citizens recognize that governments are working together, the more satisfied they're going to be with regard to supporting a united Canada.

Social policy renewal does depend on everybody's cooperation. We're looking forward to that. Premier Frank McKenna is the chair this year of the premiers' conference; they rotate every year. The first year we were involved it was Newfoundland, last year it was Alberta and now we have, obviously, New Brunswick. He did meet the Prime Minister in Ottawa just yesterday to begin discussions on the agenda for the meeting. The message from both sides was that we must work together, and that's a great start.

The meeting should lay the groundwork for the important federal-provincial negotiations on social policy renewal and federal-provincial financial arrangements, both of which we've been discussing in this particular commit-

tee, both of which are challenging for us as a country, especially with the difference, it appears, in commitment to solving some of the rebalancing issues and the issue of the unilateral decision-making of the federal government around spending power. But these are both issues the premiers called for at their meeting in Saint Andrews in August, and they will be on that agenda.

We expect to negotiate the development of common principles to govern the Canadian social union. I think it's interesting also that we'll talk about the use of the federal spending power in areas of provincial jurisdiction and new ways to resolve disputes between the federal and provincial governments over standards in social programs. These are questions that are at the very heart of our shared experiences as Canadians, and they affect health care and social services all Canadians receive and the taxes they pay.

To put it succinctly, all of us are looking forward to a revitalization of the Canadian federation so that we can have efficiency and effectiveness in our programs. We've worked very hard to define the issues, meaning the provinces, not just Ontario, and the territories, over the last two years, and now we're looking forward to hearing about just how precisely — and I use that word carefully — the federal government will respond.

#### 1600

I think what Canadians are looking for is for all governments to work together. There is a great deal of dissatisfaction around the lack of cooperation with regard to improving the efficiency and effectiveness across all provinces and territories with regard to governments of all political stripes. It's not new here in Ontario. It's certainly an issue that was negotiated strongly with Premier David Peterson and then with Premier Rae.

We do, as a province, look forward to these negotiations with the federal government, and we're somewhat encouraged, I might add, by the response. We've had extremely good working relationships with the federal representative, Mr Pettigrew, and certainly the more recent throne speech I think mentioned on many occasions the desire to work with the provinces. I think the premiers and territorial leaders will be moving forward with some degree of enthusiasm to that meeting.

**Mr Pettit:** Thank you. I'll defer to Mr Preston.

**Mr Peter L. Preston (Brant-Haldimand):** Good afternoon. There are many agencies, levels of government, asking that employment insurance premiums be decreased. Some people say, "Well, it's not a lot of money." Can you tell me why it's so important that the levies be decreased?

**Hon Mrs Cunningham:** I can certainly begin to talk. There are many ways I can answer this question, but I'll try to put it in perspective. The bottom line is that in Ontario our employers and our employees pay to the federal government, in the form of employment insurance premiums, probably twice as much money as what is used either in wage replacement when they're unemployed or training programs if they need training programs in order to find new employment — twice as much. I'll try to explain just what that means. I might add that the Ministry



of Education and Training and the Ministry of Finance are the lead ministries in this regard. What does this mean? What it really means is that the cumulative surplus in the EI account is estimated to reach over \$11 billion by the end of 1997, so that means its purpose — wage replacement, training programs — basically this money is not being used for that purpose.

It's a massive surplus, and it's used for deficit reduction by the federal government. This is money that belongs to employees and employers. This is a very clear issue. There is no deviation at all around what I've just stated, because our numbers are discussed, obviously, with finance and certainly they are numbers that we would have to work on with regard to our cooperative work between the finance ministers and ministries with the federal government.

We believe that lowering payroll taxes, in this instance employment insurance premiums, does spur job creation. It has been estimated that a reduction in the EI premium rate to \$2.20 from \$2.90 would give Ottawa the opportunity to create an additional 200,000 jobs across Canada. We have also proposed a substantial reduction in EI premiums as a way of lessening the impact of potential CPP premium increases.

As members of the Legislative Assembly, I would say, whether we be Liberal, NDP or Conservative, this will be a question that will become more obvious to all of us as people who are working hard and entrusting money to governments for good programs, in this instance either wage replacement or training programs, will be demanding those kinds of services, and we know already that they will be demanding reductions.

At the 1997 annual premiers' conference, our Premier referred the issue of a reduction in EI premiums to finance ministers, and I will say, unprecedented, the premiers also directed the finance ministers to meet on their own and have a clear discussion on this issue and other financially related matters in preparation for discussions, I believe, with their federal colleague, whom they will be meeting with in early December.

**Mr Preston:** How much in excess do Ontario people pay?

**Hon Mrs Cunningham:** I believe the number is \$4 billion. If somebody can give me those numbers? The surplus in the EI account, 1996, last audited —

**Mr Preston:** The Ontario surplus is what I'm concerned about.

**Hon Mrs Cunningham:** Ontario Ministry of Finance. Are you ready? It's \$4.9 billion.

**Mr Preston:** That's \$4.9 billion; that's a whole lot of zeroes. We're paying a lot of money towards the federal deficit from the citizens of Ontario that could be going into a pension plan.

**Mr Ted Chudleigh (Halton North):** Or job creation.

**Mr Preston:** Or job creation.

**Hon Mrs Cunningham:** We're anticipating at the end of 1997, \$11 billion.

**The Chair:** Further questions, Mr Preston?

**Mr Preston:** That's \$1.25 billion a day. No, it's not. It's \$1 million-plus a day; \$4.9 billion divided by 365 — whatever way you cut it, it's a whole batch of dough that we're giving to the federal government to pay down its deficit and take credit for what Ontario is putting in.

**Hon Mrs Cunningham:** It's a clear issue. It's something that's going to have to be seriously considered by the federal finance minister. My inclination is that many of the intergovernmental affairs issues are non-partisan. There was an effort by the former government to have EI premiums reduced, and my guess is that we'll have a lot of support in the House in this regard.

But it hasn't been challenged to the extent that it could be, and so it is our first priority, because in Ontario we're very concerned about, in spite of this surplus, the lack of opportunity for our young people and for unemployed persons to get job training.

In its September 6-8, 1997, issue — and I refer you to this and I'll put it on the record — the Financial Post reported that according to a leaked federal report on the status of the EI account, the cumulative EI balance by the end of 1997 will actually be \$12.8 billion. Those are the federal numbers that were leaked, but we're staying with our own as far as we can work through with the federal department of finance.

But unless the 1998 EI premium rates are reduced substantially — and by the way, this is a decision that —

**The Chair:** Minister, your last few seconds.

**Hon Mrs Cunningham:** I've only got a few seconds. I'll finish my sentence, and then we can carry on with maybe other questions from other members.

If they're not reduced substantially, the EI annual surpluses of \$5 billion per year will continue, if we don't have substantive reductions in the EI premium rates. It happens to be our favourite file because it's the one where there's no arguing the numbers.

**The Chair:** We'll come back to it. We'll start, once we have done that, with Mr Wettlaufer. We now turn to the members of the Liberal caucus.

**Mr Jean-Marc Lalonde (Prescott and Russell):** I have to apologize for being late. I was tied up with another group.

I just heard the minister mention that there will be an intergovernmental affairs ministers' conference coming up pretty soon?

**Hon Mrs Cunningham:** We have ongoing meetings, and I'll actually be at one next Monday. But the one I was referring to was the one that the premiers will be having with the Prime Minister. Have we got a date on that? It's some time in early December.

1610

**Mr Lalonde:** You will be included in this meeting?

**Hon Mrs Cunningham:** Not usually.

**Mr Lalonde:** Not usually?

**Hon Mrs Cunningham:** No. The premiers do have — it depends on what they decide with regard to whom they want to accompany them, but often for the first ministers' meetings the Premier may choose to take another minister. I will certainly be attending, but sometimes the premiers,



depending on what the agenda is, may substitute their deputies or their EIs. I'll be there under any circumstances to give the best advice I can.

**Mr Lalonde:** Minister, I was at the federal meeting yesterday with 12 members of the federal government and some members of the Quebec government. As a matter of fact, I was the only one from Ontario. I don't know why I was invited and others from the area were not invited. The purpose of the meeting was to discuss the Ottawa River. The Ottawa River is the longest river in Canada. It is over 1,000 kilometres long. It is a heritage river, I would call it, and it is also one of the largest rivers that hasn't got a conservation authority. The river starts out from Timiskaming right down to lac des Deux-Montagnes, Quebec. It borders Quebec and Ontario. That's probably why there isn't a conservation authority that looks after this river: because it is a federal issue. The Ottawa River is a federal authority.

I wonder if you could bring to their attention that there should be a program to develop this river. I remember when they opened up the St Lawrence Seaway. At the time, Prime Minister Pearson had said that after the St Lawrence Seaway the next step was to open up the Ottawa River right up to Timiskaming.

A group from the upper Ottawa has been working on that river for many years to develop the tourism sector, and now they're in the Fitzroy Harbour right down to Parliament Hill in Ottawa. They approached the federal government for some financial support to do a study.

Another group, of which I am still the chair, from the lower Ottawa, from Parliament Hill to the Quebec border, which is the Carillon Dam, had hired up to 47 people to clean up the Ottawa River so it could be navigable. Now we have boats coming up from Kingston that go around through Montreal and come up the Ottawa River.

The thing is that at the present time the federal government had planned to remove all the lighted buoys on the Ottawa River from lac des Deux-Montagnes to Parliament Hill. I mentioned to them yesterday that if the federal government removes those buoys — the Ottawa River in that area is a dangerous river, ever since they built the Carillon Dam. It is very wide now and very shallow in some areas. Without the buoys, the tourists won't be coming up the Ottawa River. At the present time a study showed yesterday that there are 10,000 boats from Hawkesbury to Gatineau on that stretch of river, which is only 110 kilometres long. This is according to a Quebec government study.

If we remove those buoys, the number of boats will definitely be going down for the first time since 1989, since we have taken over the cleanup of the Ottawa River. We have large cruise boats that come up, like I said, from Gananogue, from Kingston and from way up in Quebec and Three Rivers. They spend days in the area. The only problem we have on the Ontario side is that there was not a single place for those boats to dock. They all had to dock on the Quebec side. For example, the Jacques Cartier from Three Rivers carries over 3,000 people in 10 days every year in May from Montebello, Quebec, not the Chateau

Montebello but Montebello village, to the Hull docks. This year, the NCC has given the rights to the new dock on the Hull side to a boat operator, Paul's Boat Lines. I feel at this time that we, the provincial government, should discuss with the federal government having a place on the Ontario side to dock those boats so we could load and unload the passengers.

All this is to say that yesterday people were saying that the federal government should put a program in place to develop this river a little further. To tell you the truth, I just finished meeting with those people before I came here. I decided to take over the buoys myself — because they were going to remove the buoys and not reinstall them — as long as the federal government repaints all the buoys and puts solar lights on the buoys. Probably, Madam Minister, you could bring that to their attention for the development of a tourist area in eastern Ontario. It's going to go right up to Leo Jordan's riding. Nipissing is a little higher than that.

**Hon Mrs Cunningham:** Could I offer a suggestion? Everything you've talked about today with regard to the development of the Ottawa River has been a long-standing goal of many people who live in the environs of the river itself and in many parts of Ontario; to assist with tourism, really, which is quality of life and jobs. Your issue with regard to working with the federal government, which I think is good — I'm glad you were there at that meeting representing Ontario, because I think it's discouraging that they're going to remove these buoys which of course means that, what did you say, 10,000 boats?

**Mr Lalonde:** Yes, 10,000 boats.

**Hon Mrs Cunningham:** That's a big problem, so I'm happy you were there. The waterways are a federal responsibility. However, tourism is a joint responsibility but basically a provincial one. What I would suggest, in spite of some of the success you've talked about with your new dock in Hull and what not, is that you put your notes in some form of a letter with issues. You've already given us seven issues today. I would send your note to all of the federal MPs, because if you don't tell them, they won't know about it. Then I would certainly let your colleague, as Chair of this committee, perhaps assist you in informing your own caucus, because obviously you've got probably better access than I do to some of the federal MPs, and let them know how you feel, from Ontario's point of view. Then my responsibility, of course, is to work on your behalf and on behalf of others in making our own ministers accessible.

There are two ministers, I think, who would want to get this note from you, as well as myself, so that makes three. That would be the Minister of Natural Resources, Mr Hodgson, who should know about this because he has the conservation authorities, which may in fact have some jurisdiction in this regard; and then obviously Mr Saunderson, who is responsible for tourism. Then we can move forward together. If they don't get something official — and I would suggest if any of your constituents or those people at that meeting, if there were any notes, that you should get them to support you as well. Between myself,

with regard to the two ministers, and the Chair here helping with your colleagues and your caucus and somehow with your federal members, maybe this at least can begin to be an issue on which we can maybe help you get some action. Also, you mentioned Mr Jordan?

**Mr Lalonde:** Yes. The Premier's riding, I guess, is right along there too at one point.

**Hon Mrs Cunningham:** Yes, but Mr Jordan is a parliamentary assistant to Mr Saunderson, and with regard to tourism maybe he can help you push this agenda. I find these meetings here very interesting. You never cease to learn something when you're doing estimates, but I was not aware of this, and I'm very much aware of the National Capital Commission and the good work they do. I think you should have a meeting with the chair of that commission, and I'm trying to think of her name.

Who is the chair of the National Capital Commission?

**Mr Lalonde:** Marcel Beaudry. It used to be Jean Pigott.

1620

**Hon Mrs Cunningham:** Yes. I was watching something on CPaC last weekend and Jean Pigott was on, and I was surprised to see that she was still doing that job. I'm sure she is still in many ways involved but I think you should let the chair of the National Capital Commission know what you're pleased about and where you expect some assistance.

**Mr Lalonde:** I'm just trying to remember the name of the former Minister of Environment under the Mulroney government. She launched a program with us on the Ottawa River.

**Mr Gilles Bisson (Cochrane South):** Mr Bouchard.

**Mr Lalonde:** It was a lady from BC, from the west.

**Hon Mrs Cunningham:** I only remember Mr Bouchard.

**Mr Lalonde:** I forgot that.

**The Chair:** Pat Carney. Mr Lalonde, you're referring to Pat Carney?

**Mr Lalonde:** No.

**The Chair:** She was a minister.

**Hon Mrs Cunningham:** Oh, I know that, but I'm not sure.

*Interjection.*

**Hon Mrs Cunningham:** Well, no. Sheila Copps was.

**The Chair:** Not in the Mulroney government, though.

**Hon Mrs Cunningham:** No, although who knows?

**Mr Lalonde:** Anyway, I'll get all this information to you.

**Hon Mrs Cunningham:** Yes. I think it's extremely important.

**Mr Lalonde:** And you would see that this Ottawa River is very important for the future of tourism in eastern Ontario. That goes right up, as I said, to Lake Timiskaming. They're working very hard on it.

I had a few more questions, Mr Chair. I don't know how much time I have?

**The Chair:** You have approximately seven more minutes, Mr Lalonde.

**Mr Lalonde:** I don't know what could be done on this issue. As you have probably heard, there will be a major development in Mont Tremblant, Quebec. This has to do with the Minister of Intergovernmental Affairs. We have been trying to convince your government that Highway 17 should be left to the responsibility of the provincial government. Just this past Monday, the Bape commission of Quebec recommended to the government of Quebec that they not continue the construction of the four lanes of Highway 50. This will increase the traffic on the Ontario side, because the majority of tourists who come from the States, from Ottawa or from Toronto, if they go by to Ottawa, come down on Highway 17; they don't take 417.

The government of Ontario, the government of Quebec, and the federal government are building a new bridge in Hawkesbury which is the Perley Bridge, a four-lane bridge. We expect the increase of volumes, but at the present time I don't know what can be done to convince your government that Highway 17 is not for local traffic only. Over 18,000 cars go on that road every day. Because of the fact that the Quebec government has cancelled the extension of the four-lane on the Quebec side, which is Highway 50, the traffic will continue to increase on the Ontario side. I just thought of bringing that to your attention.

The other section that really falls under your jurisdiction is the mutual agreement. I spoke briefly once about the business entrepreneur or business people in wholesale or retail also from the Ontario side. Speaking to the MTQ official last February 12, 13 and 14, 1997, in Quebec City when we had the Quebec-Ontario meeting, the person representing the Ministry of Transport of Quebec said that in Quebec they have mutual agreement between the municipalities for the truckers, not the trucking industry, but the retail people who use their trucks to deliver material from one side to the other, or doing construction.

I wonder if you could discuss with your counterparts on the other side having a mutual agreement and having a buffer zone, they call it, Ontario-Quebec agreement for the trucks from retail and wholesale enterprises.

**Hon Mrs Cunningham:** Again, there are a couple of agreements that we have been discussing with our Quebec counterpart, but I don't think this is one of them. One is the intercity buses. There was another one too. No, it was the train, which we have basically put a stop to for the moment — whatever "for the moment" means. But I think this one is not one that I'm aware of, so I would again ask you to write me and let me know the details of this issue. I was not aware that it had even been raised at the meeting of February 12. I must say that the Minister of Transportation in Quebec is M. Brassard and, in fact, Mr Palladini has been having discussions with him around the intercity buses.

**Mr Lalonde:** Brassard is intergovernmental.

**Hon Mrs Cunningham:** He is also intergovernmental. Because we did meet this August in New Brunswick, I was asked at that time to have a special meeting with him around issues of transportation. Although this issue about the wholesale-retail may not fit into that ministry — I'm



not sure — I'm going to need some very specific information before I can ask one of the other ministers to have some discussions. Mr Chair, I don't know how much time I've got?

**The Chair:** About two minutes.

**Hon Mrs Cunningham:** I'm very disappointed to hear that Highway 50 will not be developed as we anticipated. I'm not sure Mr Palladini knows that. I hope you will go and tell him, perhaps tomorrow when you're in the House let him know, and we certainly will pass that on. My ministry perhaps knows already, but I didn't know that.

With regard to your concerns around Highway 17, if you are concerned about the designation of responsibility for Highway 17, again, I'm sure you've put that in writing to Mr Palladini.

**Mr Lalonde:** I did.

**Hon Mrs Cunningham:** Good. I will remind him that you discussed it with us in these estimates hearings today.

**Mr Lalonde:** The reason I don't refer to the trucking industry is the trucking industry has different regulations, but I refer to the truck that delivers material from one business to the other, because it doesn't require any additional licence for the weight or anything. The trucking industry has a special licence for the axle and everything. This is why the MTQ has said, "We do have mutual agreement between municipalities in Quebec; we probably would be able to have one within the Ottawa-eastern Ontario region."

**The Chair:** Minister, you have one more minute if you'd like to respond.

**Hon Mrs Cunningham:** I'll just take your observations under advisement, and if you could follow through on some of the documentation that we've discussed, it makes it a lot easier for me to move forward on these issues.

**The Chair:** We now turn to Mr Wildman from the New Democratic Party.

**Mr Bud Wildman (Algoma):** Thank you very much. Is there any place you'd rather be?

**The Chair:** No.

**Mr Wildman:** I raised a number of questions yesterday regarding specifics, and the minister did respond briefly on a number of them. I'd like to refer again to the 1996 annual premiers' conference report. One of the recommendations on overarching issues, as they were referred to, was that they move forward to develop strategies to prevent or minimize federal reductions in services and support to aboriginal peoples. I would like to know what update there was at the recent premiers' conference in St Andrews, New Brunswick, in that regard.

1630

I should perhaps preface this by saying I am a little bit concerned about the wording of that recommendation from 1996 because, while I support any strategy to minimize federal reductions in services and support to aboriginal peoples, I see two things that are worrisome about it. Number one, the federal government should be not only minimizing reductions; it should be going the opposite direction, particularly if one considers the report of the

Royal Commission on Aboriginal Peoples and the recommendations that were made by that very important commission, which indicated that there would have to be a great deal more invested in programs to combat the disadvantages of aboriginal peoples in this province and country. The other concern I have is that it at least gives the inference that only the federal government has responsibility for services and support for aboriginal peoples.

I certainly recognize that there is a special relationship between the aboriginal peoples of Canada and the federal crown. But I also recognize that the courts have found, particularly since the 1980s, in a number of cases, that the fiduciary responsibility of the crown for aboriginal peoples is not necessarily only the crown in right of Canada but in many cases is the crown in right of provincial jurisdictions as well — in our case, Ontario. I am quite alarmed by the Ontario government's apparent minimization of their involvement in issues related to services aimed at combating the disadvantages that aboriginal peoples have suffered for so long in this country.

I want to add one other thing. One of my colleagues, the member for Sault Ste Marie, was in another committee of this assembly and there was an issue raised with regard to aboriginal people. One of the Conservative members of the committee, I understand — I think it may have been Mr Gilchrist of Scarborough East, who is well known for his expertise in so many areas — commented that aboriginal peoples were conquered peoples historically, and therefore they should just put up with the situation, I guess.

That's a misunderstanding of history, of course. In Canada, aboriginal peoples are not conquered peoples. As a matter of fact, they served very important roles as allies to the colonists. In the American Revolution, the Iroquoian people, under the leadership of Joseph Brant, were major allies. That's why they are now located in the Grand River valley and in other parts of Ontario. They were given land grants because they were, frankly, among the United Empire Loyalists who left what is now New York state after the American War of Independence. The Ojibway and Cree peoples were allies of the British, and that is true of many other nations that are among the aboriginal peoples of Canada. Previous to that, many of the aboriginal peoples, the Huron and Algonquin peoples, were allies of the French. They were not conquered, unlike the United States experience where many of the aboriginal nations were indeed conquered. That wasn't the historical experience in Canada. These were situations where agreements were made between sovereign peoples and the crown of Britain. If it was Mr Gilchrist who made that comment, I bow to his expertise in most areas but not in this one.

I would like to know, in terms of the two issues I raised, what has happened with this strategy to minimize federal reductions in services? What does it mean? Where are we at? What is Ontario's view? What is Ontario's role itself in providing services and support for aboriginal peoples in this province?

**Hon Mrs Cunningham:** The word "minimize," I'm not aware of that, but I'm sure it's there. I just forgot it.



**Mr Wildman:** Yes, I'm quoting it.

**Hon Mrs Cunningham:** Is it from a communiqué itself?

**Mr Wildman:** Let me find the first page.

**Hon Mrs Cunningham:** That's a 1996 communiqué, correct?

**Mr Wildman:** Actually, this is a synopsis of the 1996 meeting, which was provided to the premiers at the 1997 meeting.

**Hon Mrs Cunningham:** Perhaps what I can do is take a look at that down the road in a little while. But in the meantime, I certainly can speak for our government and for our own minister of aboriginal affairs, who would not like to think for one minute that we would minimize our involvement with our aboriginal constituents. I will say that one of the first issues I had as a new minister was whether we would proceed with the aboriginal healing and wellness strategy, which was something that was negotiated in the last few months of your government. We've carried on with that strategy.

More recently we've had meetings, a number of ministers, with both the on- and off-reserve aboriginal people. I'm going to say right at the very beginning, Mr Wildman, there isn't I don't think another elected member in this assembly who knows as much or understands issues as they relate to our aboriginal peoples.

The premiers did discuss the issue of the federal offloading, which of course they are concerned about, particularly with respect to the federal reduction in services and support for aboriginal peoples. They emphasized their long-standing concern over the federal government's refusal to accept full treaty, historical, constitutional and fiduciary responsibilities for aboriginal Canadians on- and off-reserve. It has been interesting for me to listen with regard to the implications of that decision by the federal government to my colleagues, especially more recently in Manitoba, Saskatchewan and Alberta. We've learned lots. There is still very much to do. As a result of this position by the federal government, the provinces and territories actually face increasing pressures to make expenditures ourselves to meet the needs of aboriginal peoples. We actually have carried on with your policies.

The premiers did agree that the transitional and implementation costs associated with self-government should be the responsibility of the government of Canada. These are the discussions that they are having. They directed the aboriginal affairs ministers to begin discussions with their new federal counterpart; this is at this year's conference.

**Mr Wildman:** Who happens to be the daughter of a long-serving member of this assembly.

**Hon Mrs Cunningham:** Yes. You smiled when you said that —

1640

**Mr Wildman:** I like Mr Nixon and I like his daughter.

**Hon Mrs Cunningham:** — and I think you're probably feeling somewhat optimistic. Get talking to the new minister — it's an opportunity always — and national aboriginal leaders on a comprehensive approach to meet-

ing and ensuring that the federal government meets its constitutional and fiduciary responsibilities.

"It must recognize," they stated, "that different provinces and territories have different circumstances with respect to the financing, design and delivery of programs and services for aboriginal Canadians" — not unlike we do for many Canadians who are not aboriginal peoples. They asked that the provincial-territorial council on social policy renewal continue to monitor the progress made in advancing this critical issue with the federal government.

I'm sure you noticed in the throne speech, as I did, some selective — for want of a better word — program areas which I think —

**Mr Wildman:** There was a commitment to move forward on the recommendations of the royal commission.

**Hon Mrs Cunningham:** Yes. Well, there were a couple. It said:

"Some of the most urgent health problems today are found in aboriginal communities. The government will work with other partners in aboriginal communities to

"develop new initiatives to address the rapid increase in tuberculosis and diabetes in aboriginal communities; and

"enhance research and dissemination of health information focused on the needs of aboriginal peoples through a new Aboriginal Health Institute."

You can imagine how our health ministers will be monitoring that.

**Mr Wildman:** Actually, I appreciate that.

You mentioned the aboriginal healing and wellness strategy. I appreciate your comments. I would say there are a lot of other people in this assembly who have experience with aboriginal peoples and their concerns.

I would also indicate that as far as I was concerned, one of the greatest things we did, of the many things we tried and didn't get too far on, was the diabetes strategy for aboriginal people in northern Ontario. Diabetes is epidemic among aboriginal people. I would hope that the commitment made there, if the federal government moves forward, will be supplementary to what the province is doing; that the province will not simply say, "Okay, the feds can do it."

There is a particular problem with regard to aboriginal people living off reserve. The whole setup now of the Department of Indian and Northern Affairs — perhaps they will go the way of the dodo bird, which would be a good thing, I think — is to serve people on reserves. They have traditionally taken the position that the provincial governments are responsible for off-reserve people, whether they are treaty Indians, as per the Indian Act, or Metis or non-status people. That has been a long-standing debate between the provincial governments and the federal government. But we cannot allow those people to be lost in the cracks while we have a jurisdictional argument.

I think the Chair is probably familiar with the Anishnawbe health centre and the work they do among homeless people, particularly in downtown Toronto. Those kinds of services must be supported, and I would hope the provincial government is prepared to maintain the assistance that is necessary to allow them to continue. I'm not asking you

to comment on direct provision of services, because I know that's not your role, but what I'm really asking is, are these kinds of services going to be continued while the jurisdictional debates go on between the federal and provincial governments?

**Hon Mrs Cunningham:** Obviously your government and former governments have taken on that responsibility, and we certainly have as well. Again, as we take a look at an area that I'm responsible for with regard to the prevention of violence against women, we've moved into both preventative programs, safety programs and service programs with the aboriginal community, and actually focused this time and asked them to send forward grant proposals, and reached out to them to help them. We feel as you did, that in the absence of a federal commitment we must carry on and support our native Canadians who have contributed so much, obviously, to the excitement and enthusiasm and the diversity of our communities.

There was another part of the throne speech, Mr Wildman, that had to do with expanding opportunities in aboriginal communities. Did you pick up on that one? I'm reading it actually for myself as much as yourself. I think we all have to be reminded that monitoring for all of us, whether we're individual MPPs, whether we're in government or out of government, if these are programs that should be established in our communities and these are promises that have been made, we all have the responsibility to help and work with different levels of government to see that they get done.

The federal government is saying here that they are hoping to strengthen the aboriginal communities, "reinforcing the diversity that makes Canada unique." They state that they will:

"develop relationships with aboriginal people based on the principles of partnership, transparency, predictability and accountability" — something I know you feel very strongly about, Mr Wildman, and showed great leadership in your position here.

"support the building of strong aboriginal communities — communities that provide their members with better living standards and opportunities; and

"strengthen the capacity for good government in aboriginal communities.

"To contribute, the government of Canada is committed to respond to the report of the Royal Commission on Aboriginal Peoples as soon as possible."

That was certainly something that the ministers responsible for aboriginal affairs had demanded some time ago. I might say that at the social policy council, where I represent our province and all of us as elected officials, we have this on our agenda in a monitoring fashion at almost every meeting.

**Mr Wildman:** Could I ask one other question? I don't know if there is time.

**The Chair:** A minute and a half.

**Mr Wildman:** Currently in the House we are debating, not this afternoon but right now, Bill 149, the so-called Fair Municipal Finance Act, I think it's called. One of the provisions of that bill removes the exemption from prop-

erty tax for first-nations-owned, off-reserve land, which has been honoured by governments in Ontario for some time. It's my understanding that this provision of the bill went forward without consultation with first nations. As a matter of fact, they were asked to come to a meeting, and then it was subsequently cancelled. What, if any, role do you have in this kind of issue? How could it happen that what is considered a treaty right by aboriginal peoples that they be tax-exempt would be denied by a statute or a proposed amendment to a statute without talking to them?

**The Chair:** Do you want to make a brief response?

**Hon Mrs Cunningham:** I just don't know the answer to that question. I wasn't aware of this.

**Mr Wildman:** I would really encourage you to raise it with your colleagues the Minister of Finance and the minister responsible for native affairs.

**Hon Mrs Cunningham:** I will do that.

**The Chair:** We'll turn now to the Conservative caucus. Perhaps Mr Preston would like to finish up your previous line of inquiry.

**Mr Preston:** I'd like to get back to this levy that the people of Ontario are being charged for employment insurance. We're paying \$500,000-plus per hour into federal coffers that could very well be used to (1) reduce taxes, and (2) create employment, create job training. It could be used to create a number of things that we don't have the finances here to use. Instead, it's being used by the upper level of government to reduce their deficit and make them look good. I'd much rather that made the province look good by creating more jobs. What can we do? Number one — I'll give your first answer for you — we should let the people know. I don't think people know to what extent they're paying an overage to the federal government. The first thing we should do is let the people know how much we're being taken for. Do you have any ideas beyond that?

1650

**Hon Mrs Cunningham:** We had an interesting discussion yesterday in these meetings. At the end, the Chair said we should have been on television, because of the kind of debate around the whole issue of rebalancing roles and responsibilities and communicating. There are two focused areas there. Number one is the efficiency and the effectiveness of our federation, and that means clear discussions around how we actually commit the dollars we collect for programs in an efficient way. That means less overlap and duplication, transparency around what we do with the money, and that means we have a responsibility here in Ontario to let the public know exactly how the money is spent.

The other piece is results of programs. Results of programs are sometimes very difficult to establish, but we have to take that step. It's very easy to dream things up; it's not as easy to say whether they work or not. So this whole effectiveness and efficiency piece is a big issue for us with regard to moving our country forward into the next millennium and Canadians saying: "You know what? We've got a country that really works." That's one piece.



The second piece is the unilateral decision-making around federal spending power. That basically means the federal government does have the responsibility, according to the Constitution of Canada, to disburse funds in responsible ways. What we're saying as a province, with all our colleague provinces and territories, is we think the way money is spent is worthy of serious discussion, not a unilateral decision.

Having mentioned those two pieces, the programs themselves, design and delivery — which all provinces want to have something to say about; Mr Wildman just mentioned it with regard to the aboriginal peoples — and the unilateral decision-making, this is going to be about 80% of the discussion. The premiers themselves, with the leadership of the Premier of Saskatchewan, basically stated that the discussion about the renewal of our federation should be about rebalancing.

The issue you raised is so clear. We know, because we have done our work in Ontario, that we have the numbers; we've just talked about it. Basically, since 1995, Ontario's premium contributions — that's employers and employees; not the government, the people — have exceeded benefits paid to provincial residents by about \$4 billion annually. Unilaterally, I think last November-December — it might have been January-February — the federal Minister of Finance announced that there would be a reduction in these premiums. As far as most provinces were concerned, but especially Ontario, the reduction was minimal, and it was a unilateral decision made by the federal finance minister and announced to the media with no discussion with the other finance ministers.

Those are the kinds of actions — with respect to my colleagues, I don't care who's wrong; whether it be our problem as a province or someone else's problem as a government, discussion is extremely important to the success of Canada. Our citizens want all levels of government to work together even as we decide roles and responsibilities both provincially and municipally, and provincially and federally. All provinces are in the midst of restructuring around these lines.

I can sense your frustration. This is a clear indication of a very important area of extreme concern for the people of Ontario. Your question about getting the message out is a very good one. As a new government, we wanted to approach this issue with respect. In a new government, one is quite surprised how some ministries can work very closely together — I myself think it depends a lot on the people — and others don't.

**Mr Wildman:** Name names.

**Hon Mrs Cunningham:** Why don't you and I talk about our experiences? We do just fine together. I introduce my critic here in this regard.

Mr Wildman said, "Name names," but generally we have to think about where this country is going. We got into some discussion yesterday about Quebec. They're very concerned about roles and responsibilities. Some people use the words "devolution of power." For some of us who have had some opportunities to work through different periods in the history of this great nation — I

look at Meech, I look at Charlottetown people, myself, Robarts, Pepin. This is an ongoing argument in Canada, but times are different now. The reason it's so important, Mr Preston, is exactly what you said: This is an impediment to job creation at a time when people are unemployed to a greater extent than they should be, at this time in the history of our country.

**Mr Preston:** If you use terms like a \$2.20 reduction, it doesn't sound like an awful lot. What's \$2.20 going to get you? But if you use terms like \$500,000 a day, I think it's going to shock the public out of their lethargy. So what are they asking for? About \$500,000 a day I think is going to draw people's attention.

**Mr Wayne Wettlaufer (Kitchener):** It's \$500,000 an hour.

**Mr Preston:** Wow; \$500,000 a day is still too much.

**Hon Mrs Cunningham:** I can only add to that. Where we have done some very good work is in opportunities for retraining. If you've got young people in your office or older people who are looking for retraining here in Ontario — all of us as MPPs within the Legislative Assembly can clearly be concerned that here in Ontario our unemployed people have one half of the opportunity for access to training programs as those residents of one of our closest neighbouring provinces, and that is New Brunswick.

Obviously, this kind of data has to be collected and carefully analysed with agreement from the levels of government or provinces that are concerned. This takes a lot of careful analysis. We do have a good analysis with regard to opportunities for retraining and we know that we, as we represent our citizens, are not doing our citizens who need our help more than some others, those who are seeking jobs and retraining, a responsible service.

**Mr Preston:** Mr Chairman, just 10 seconds to correct Hansard.

**The Chair:** Go ahead.

**Mr Preston:** It's roughly \$13.3 million a day, which does work out to well over \$500,000 an hour. I thank you for the correction.

**Mr Lalonde:** It's \$1.3 million, Minister. I counted.

**The Chair:** We won't spend a lot of debate on the figures. We'll turn to Mr Wettlaufer for his questions.

1700

**Mr Wettlaufer:** Minister, the population of Kitchener is around 185,000; Metro Kitchener is around 385,000; regional Waterloo and surrounding area are about 440,000; 29% of the population still claims to speak German as its mother tongue; more than 45% are of German descent or speak German as the mother tongue; something in the area of 2% or 3% speak French as the mother tongue or are —

**Hon Mrs Cunningham:** What was that last number, please?

**Mr Wettlaufer:** About 2% or 3% are of French descent or speak French as the mother tongue.

In Kitchener we have fiercely loyal people, loyal to the country. I notice in this morning's news clippings in the Globe and Mail that 74% of the people of Ontario and



70% of the people of Canada think the premiers' unity package is a step in the right direction.

Judging by the phone calls I get in my riding, I would say that 85%, 90% or 95% of the people in that riding think it's a step in the right direction. They are willing to make sacrifices in order that this country stay together. I receive the odd comment from them that they feel French programming and French education cost too much, but generally speaking they're willing to accept it. There's the odd one who doesn't want to accept it, but we don't pay too much attention to them; they're rogues.

What is concerning to me and the members of my community, the members of my riding, is that just when we make a step in the right direction in so far as Quebec is concerned — and I'm not talking about appeasement, I'm talking about a good, positive solution — we have a Conservative senator from British Columbia open up her mouth and start talking about British Columbian secession. We were all shocked at Pat Carney's words, although any of us who have travelled the country recognize that there is a minority of people in BC who would be just as happy to go on their own or go with the United States.

What I was wondering was —

**Mr Wildman:** Eleven per cent.

**Mr Wettlaufer:** Is that what it is, 11% of the population in British Columbia? Okay. Thank you very much, Bud.

I was wondering whether or not you or your staff or someone within the government has talked about this outburst to (a) the federal government, (b) Jean Charest's staff or himself, (c) Pat Carney or her staff, or (d) the British Columbia government?

**Hon Mrs Cunningham:** It's always a temptation to make comments, but Ontario has always wanted to deal with issues that are not hypothetical. That has been our position with regard to a lot of the statements, comments, directions and policy decisions of the government of Quebec and questions concerning some of the statements that come out of our sister province, in a sense.

We've focused very much on working hard to achieve the kind of reforms that will make Canada more efficient and effective, where we can be proud at all levels of government and work together so that the public will vote the way they did with regard to the observation you have just made.

You're the first — well, not the first, obviously; my staff were quite excited about this. Deciding how to move forward with regard to making a statement to the people of Quebec in August, when the premiers first had their lunch, was something we had to think very carefully about, because we're not interested in failures. We're sorry about the failures of the past and we know we have a huge responsibility, all of us as elected officials, to do the best job we can in making certain we contribute towards a united Canada. So we try to rise above the opportunities which sometimes can be fun. You would be interested to know that I've received some phone calls. One of my colleagues in British Columbia made one of those phone calls to say everything's okay — but it's not helpful.

I was interested — you mentioned a couple of the numbers — to know with regard to Canada's overall reaction to the premiers' unity initiative, a positive step in the right direction, that even 62% of the people of Quebec thought that was a good step. That's helpful, because we're obviously trying to send Quebec a message from the rest of the people in Canada, the other provinces and territories. Everyone is still a little concerned.

We talked about this yesterday with regard to opening up what we call this unity file, but the time has come when we have to talk about our country and the time has come when we have to send a message to the people of Quebec. Thank you for bringing that to my attention.

**The Chair:** Further questions?

**Mr Ted Chudleigh (Halton North):** It's always a pleasure to take part in the questions and answers of committee, particularly this committee, because I find that the questions asked by this party and also the opposition parties are much more constructive. They're perhaps more inquiring than the more traditional questions we get in other committees. So it's always a pleasure to take part in the discussions that centre around this.

I was interested in the member for Prescott-Russell's comments. I'm not sure if it was ever pointed out in the House what a successful hockey season the member had last year. We offer congratulations.

**Hon Mrs Cunningham:** This is a good committee. You learn all kinds of things. You should stand up and bow right now.

**Mr Chudleigh:** It may be somewhat late, but congratulations. It's a marvellous feat to take home a national championship in any sport, certainly in competitive hockey.

*Interjection.*

**Mr Chudleigh:** Is your team tied for last this year?

**Mr Lalonde:** Halfway.

**Mr Chudleigh:** About halfway. We'll look for a repeat on that. I hope we can get communications between Ontario and Quebec so the fans can get over there and watch that hockey.

The first ministers and ministers of intergovernmental affairs have a fall meeting scheduled, as I understand it. Obviously, the future of our very country is at stake, the financial health of the country, and we've had a number of questions concerning the financial aspects of the federal government. As a province, with our tax cuts we have shown definitively that the tax cuts are self-funding in that our increased revenues have been higher than the cost of the tax cut that we put in place.

I wonder what subjects the first ministers' conference would have on the agenda and what Ontario would see as the objectives that it would hope to attain coming out of that —

**The Chair:** Mr Chudleigh, I want to thank you for your contribution to the constructive tone of the discussions. I'm going to ask the minister to remember and hold on to that question for the next round, if that's all right, because the time has expired for the government caucus.

**Mr Chudleigh:** I was being so nice and you cut me off.

**The Chair:** I hate to do that. We won't call it rare, but we'll ask you to sustain that outlook and we'll come back to it. We'll now turn to Mr Lalonde from the Liberal caucus.

**Mr Lalonde:** I'm going to go back to some difficulties that we people in eastern Ontario and right up to Timiskaming are faced with every day on a regular basis. It's the construction issue again.

We made some improvement when Minister Witmer and Minister Rioux from Quebec signed the agreement last December 6, 1996. The ADM who attended the meetings on February 12, 13 and 14 — as a matter of fact, we got him back on the 14th to repeat what he had said at one time — said that construction workers or contractors who wanted to go on the Quebec side to take part in the construction activity wouldn't have to join a union.

During your discussion with your counterpart from Quebec, I wonder if you could ask if they would consider that any contractor with less than maybe 10 employees could be exempt from joining the union. They have five unions over there, which are controlled by CCQ — CCQ is Commission de la construction du Québec. They are controlling the whole construction industry.

1710

Three months ago, the president of ADAT — that's Association du droit des travailleurs de l'Ontario et Québec — Jocelyn Dumais, brought this to court. The reason it was brought to court was the fact that the people have to join a union in Quebec. According to all the research we have done, it is unconstitutional — it's better for me to say it in French: non constitutionnel. We haven't heard the verdict yet. The court lasted two days. We hope to get the verdict that our people will not have to join a union. If we don't win this case, they are going to go to — I think it's Vienna, the international tribunal; this is where it's going. There were some workshops given at Fraser University. We have the Fraser University people involved in this case.

In the meantime, I would ask if it is possible for the minister — because we get calls just about every day from small contractors, self-employed people who want to go to Quebec. If they get the chance to go and work in Quebec, in the painting business or people who are putting up siding on residential property, they cannot go over there unless they join the union. It's probably easy to join the union as long as you meet all the requirements.

It's true we won some cases: Contractors who meet the criteria don't have to take the exam they used to take to go through; construction workers don't have to pay the \$100 fee. But still the small contractor just can't go to the other side because it becomes too expensive and all their people have to join the union. After they have joined the union on the other side, if they come back to this side they have to join the union on this side too.

As you are probably aware, at the present time in the residential construction industry, especially in eastern Ontario and parts of northern Ontario, only 10% of the construction workers are unionized. I don't know if there's something that could be done on that, Minister, if a dis-

cussion could take place that a contractor with less than maybe 10 employees wouldn't have to join a union.

**Hon Mrs Cunningham:** If it's in the courts, I won't be talking about that. I think what we should do right now is share with our colleagues on this committee the gains we did make, because it took eight months, didn't it?

**Mr Lalonde:** Yes.

**Hon Mrs Cunningham:** It probably took years before that.

**Mr Lalonde:** I agree.

**Hon Mrs Cunningham:** We just did the signing last December. You might be interested to know just what is in that agreement, so that if you're asked or if you're interested — it's precedent-setting. It's something we didn't send balloons up on, but other provinces are very interested in this precedent. In fact, some of them are interested but wish we had been able to do it across the country. But we didn't wait. Really, this agreement eliminates the need for experienced Ontario contractors to take the Quebec competency exams. That's — what do we call it, red tape?

**Mr Lalonde:** That was said to be that way, but it is not.

**Hon Mrs Cunningham:** Okay, you tell us about it. We're then in Hansard, so you might not have to write a letter. Be careful of your words, because I'll give this to the Minister of Labour and let her know how it's working. Why don't you tell us how it's working.

**Mr Lalonde:** There are two criteria for contractors. They have to either have been with HUDAC — the name has changed; it was insurance, where they had to pay so much per home they built, that went towards this association in Ontario. I forget what the other one was. But if they don't meet those criteria, even though the contractor has been in business for 25 years he cannot go over there. They have to belong to two different associations in Ontario to be eligible to go.

**Hon Mrs Cunningham:** But they don't have to take the exams.

**Mr Lalonde:** If they meet the criteria, no, they don't have to. That wasn't clear.

**Hon Mrs Cunningham:** So the criteria may be a challenge, but if they're experienced — we're talking experienced here — they don't have to take the exams.

**Mr Lalonde:** I'm talking experienced. Even if they have the experience, if they don't belong to those two associations, they will not be accepted.

**Hon Mrs Cunningham:** Okay, that's a clarification.

**Mr Lalonde:** The other point that is very clear now is that even though, as I said before, only 10% belong to a union in residential construction, very few construction workers in Ontario have what they call their competency card. Even if they have worked for 40 years in construction, if they don't have their card, they cannot go to Quebec.

What we are doing at the present time with Marie Holdcroft in Ottawa is we're trying to get the Ministry of Education to run some courses, maybe three nights a week for a certain time, so they would probably come under a



grandfather clause and they wouldn't have to follow a course for a couple of years.

**Hon Mrs Cunningham:** With what we're talking about here, I'm getting some good information. By the way, I said, "Minister of Labour." I should have said, "Minister of Education," because that's who's doing this now.

Are you pleased? Is it working with regard to the trades? There are some 22 trades and eight construction jobs. They matched these 22 trades and the eight construction jobs to those in Quebec, the matching piece, right?

**Mr Lalonde:** As long as our people have a competency card, there's no problem, but very few have it. If you're talking about electricians, they have it; if you're talking about plumbers, they have it; if you're talking about steamfitters, they have it. But in construction, framers, cabinetmakers, they don't have their cards.

**Hon Mrs Cunningham:** So it's the construction industry that you're most concerned about?

**Mr Lalonde:** Yes.

**Hon Mrs Cunningham:** What have you done about this? I know this time last year we were all very active in trying to get this agreement, which we finally accomplished in December. Now we're finding that there are pieces that should be revisited, correct?

**Mr Lalonde:** That's right, yes.

**Hon Mrs Cunningham:** Last year we met with both of the associations, and they advised us as to what still had to be done. Is that happening now?

**Mr Lalonde:** There are two associations now especially, the Ottawa Construction Association and the Ottawa homebuilders' association. One of them is unionized. They are supporting the agreement because they all have to join a union to work in Quebec. So the Ottawa Construction Association is supporting it because it has all unionized people, but the Ottawa homebuilders' association, whose majority is non-unionized, is not supporting the agreement.

**Hon Mrs Cunningham:** What does it mean to you when I read that one of the agreements stated that there are certain provisions for Quebec to recognize more Ontario construction jobs and trades in the future? What does that mean?

**Mr Lalonde:** It did look very good at the beginning. The media were after me: "You should be saying, 'Victory.'" I said, when the minister was down in October of last year, that I couldn't say victory because I could not read this on paper and I knew that the union was not in favour of what we were trying to get going.

1720

At the present time, the interpretation of the Quebec government differs from one day to the other. On February 12, 13 and 14, we were in Quebec. In June they came back in Hull. The ADM was there, M. Jacques Henrie. The room was full of contractors. They were so upset when they came out of this room at the Chaudière Hotel in Hull because we had two different stories. The ADM was there and at that time their researcher was there, a person

who works with the ADM who said that the Ontario construction workers were 12 years behind the Quebec construction workers in the trade — exactly 12 years behind them. The room was full of construction workers and contractors from both sides, because we were told to be there, that they would explain the agreement. The agreement that we received and the agreement that was signed, the interpretation is different.

**Hon Mrs Cunningham:** You're going to take these concerns, I hope, to Mr Snobelen.

**Mr Lalonde:** We have.

**Hon Mrs Cunningham:** What about the dispute resolution mechanism? Is that not helpful? Are there some disputes that have been settled in a positive manner?

**Mr Lalonde:** There was a committee formed previously in 1994 when the NDP government tried to resolve this problem but the committee never met. So the report we were getting and the report we got in 1996, no problem at all, because they haven't received any complaints. I don't know if the Minister of Labour or the Minister of Education, who has taken over this issue, have staff to take those complaints, but if you happen to call Marie Holdcroft in Ottawa, she just cannot handle all the calls.

A heavy equipment operator cannot go into Hull to operate their own equipment when they're asked to take over a contract on the Hull side because they don't have their competency card. People who have been working as heavy equipment operators cannot go over there. They become an apprentice. To work on a backhoe, they have to hire a backhoe operator from Hull. They sit beside the backhoe operator, and in the backhoe there's only one seat. That's the way it is.

**Hon Mrs Cunningham:** Who is Marie Holdcroft taking these issues to? Who is she working with?

**Mr Lalonde:** The ministers of labour and education. It's right in the back, the agreement. That is her name in the book.

**Hon Mrs Cunningham:** Are you planning to meet with Mr Snobelen about this?

**Mr Lalonde:** It's the first time I hear that I should meet with Mr Snobelen. Knowing for a long time that it is to go to the Ministry of Education, it was never officially announced that Mr Snobelen would be handling this. At the present time, with Bill 160, he's probably tied up. I should probably be with the ADM or the DM.

We have registered all the complaints, and that comes from both sides of the river. If we were to turn down the 13,000 construction workers who cross the river — there are 41,500 people crossing the river in Ottawa to work in Ontario, that is, civil servants, retail and construction. We have the breakdown of it. If we were to turn them down, those people wouldn't have any money to feed their families. This is why we don't want to block the bridge any more.

**Hon Mrs Cunningham:** I think these complaints have to be brought to the attention of the minister. There's no doubt, in my view. The Hansards will help, because you've got a running commentary of some of the actual concerns that you've got. You might want to get the



Hansards as they're available, make a covering letter, send it to Mr Snobelen and ask for a meeting with him and/or his officials who are responsible for this construction industry agreement between Ontario and Quebec.

**Mr Lalonde:** But in the meantime, when you meet with those people, with your counterpart, Mr Brassard, in Quebec, probably you could bring that to their attention.

**Hon Mrs Cunningham:** Absolutely.

**Mr Lalonde:** That self-employed people and also contractors with less than a certain number of employees should be exempt from joining the union.

**The Chair:** We'll now turn to the New Democratic caucus.

**Mr Wildman:** In relation to one of the issues I raised yesterday, which was student debt, the Prime Minister of Canada has announced a new scholarship program for university students, which I guess goes into effect in the year 2000. Basically I'm raising this to ask if you would correct me if I'm wrong. As I understand it, this is not going to be a shared-cost program between the provinces and the federal government; it's going to be delivered solely by the federal government. There will be an endowment established, at this point no one knows how large, and the interest on the endowment will pay for the scholarships to assist students.

As I understand it, the Prime Minister's statement said at one point that this would be a scholarship that would reward excellence, but at another point in his statement he said that it would be a program that would assist low-income students and their families to ensure that low-income students would be able to attend university.

On the face of it, those two statements could be seen as contradictory. You have a university program which is aimed at rewarding excellence on the one hand and on the other a program that would assist low-income people in ensuring that they have access to post-secondary education.

It's been suggested that those two things aren't necessarily contradictory. You could have a program that rewarded excellence — for instance, there might be a \$2,000 scholarship for someone who had high achievement — but if that individual were also someone in need, the award could be higher. In other words, it might be \$5,000, for the sake of argument, to someone who not only had achieved well but also had financial need. But as I understand it, nobody in Ottawa really knows the answers to these questions, including members of the PMO staff, much less the Minister of Finance. Is it Mr Pettigrew who's also responsible at the federal level?

I would like to know, first, if you understand that this is going to be solely delivered by the federal government and is not going to be a shared-cost program between provinces and the federal government. Parenthetically, I would say that the Quebec minister has indicated that the Quebec government would like to opt out of any such program and would like to get the money, but if it's not a shared-cost program I'm not sure how they would do that, if it's delivered directly from the federal government to the students. So first, I'd like to know, as you understand it, whether it

is to be delivered directly from the federal government to the students and thus no involvement of the provincial level of government, and second, if you know what the details are with regard to the rewarding of excellence plus the assistance of people in need.

**Hon Mrs Cunningham:** I'll try to answer that in many ways. I'll be extremely up front about it. Here's where all governments are so frustrated, because when we talk about the whole issue of roles and responsibilities, education is clearly the responsibility of the provinces in design and delivery of programs.

1730

**Mr Wildman:** That's why the Quebec minister made the comments.

**Hon Mrs Cunningham:** Exactly. As a matter of fact, Quebec is observing our social policy council meetings. I stated yesterday that Mr Bouchard actually stayed for the discussion on social policy because I believe they're very interested in the issue of rebalancing. They absolutely, unequivocally will not have anything to do with the federal government when it comes to the funding of social programs other than to receive the money, because they want to design and deliver their own programs.

It's very difficult politically in spite of that. I'll certainly be taking Ontario's point of view to our next meeting of our social policy committee, which will be next Monday; our next meeting meaning the social policy council of ministers in Newfoundland, where all ministers representing their provinces and territories will talk about social policy. In this instance, I'm sure this will be put on to the agenda from the throne speech. You can imagine our position, even initially — you've been there, done that — of responding to something that on the surface looks so fabulous, creating opportunity for young Canadians. None of us want to be moaners, because our constituents want us to get along.

Having said that, they say: "The government welcomes the action being taken by the private sector, through initiatives such as Career Edge and the Corporate Council on Youth in the Economy, and encourages the private sector to do more. The government is committed to work with other governments, the private sector, communities and individual Canadians to help equip young people for the future." Obviously, we're probably part of this.

"The federal, provincial and territorial governments will act to address this problem" — meaning unemployed young Canadians between the ages of 18 and 25 — "and first ministers and territorial leaders will be working on this issue when they meet this fall."

"The government will continue to reduce barriers to post-secondary education through further changes to the Canada student loans program, increased assistance for students with dependants, and new scholarships" — which you're referring to — "to encourage excellence and to help low- and moderate-income Canadians attend university or college."

I go on to read this and I say, "But who's talked to us about it?" So the answer to your questions is, we don't have the details. We know that throne speeches are vague

in their nature. Perhaps this is something that we could have had more discussion about in advance, as we did the national child benefit. We had made some gain in talking to Mr Pettigrew with regard to that initiative, even though all the details are still being worked out, but there is a commitment.

In this instance, I can tell you that this goes back a long way with regard to student loans and debt, which is part of your concern. You'll know about this because the Council of Ministers of Education forwards its 1993 joint declaration on future directions to the provincial-territorial council as their vision for education in Canada. The Council of Ministers of Education also wrote the federal government to initiate discussions on the need for adequate levels of student aid — you might not like that word, but that was their word — and concerns about the increasing debt load of students.

**Mr Wildman:** What's adequate to one might not be adequate to another.

**Hon Mrs Cunningham:** One argues the word all the time, but perhaps it's a safe word. At least it's recognized as a real need.

The next steps are that, "The federal government has begun multilateral discussions on the increasing debt load of students, but has not yet taken action on the provincial-territorial concerns about adequate Canada student loan program levels. In its 1997 budget," which most of us here will know about, "the federal government announced improved tax assistance for students and its interest in exploring an income-contingent repayment program for student loans." Are we not extremely familiar with this language?

It actually began to be discussed in great detail — and I would say congratulations. I think it was the students at Queen's University who first got involved in this. However, again, it did not address the outstanding issue of student debt and loans, which is your question.

I can say that the intergovernmental consultative committee on student financial assistance is conducting an analysis with regard to students who are in the greatest need of assistance. This group operates under the auspices of the Council of Ministers of Education. It's a mechanism through which the federal, provincial and territorial governments deal with student financial assistance. Provinces are providing information to the federal government as part of this exercise, so at least they're trying to get some information.

What is the status of efforts to deal with the problem of student loans and debt? The Ministry of Education and Training is the lead ministry. We made a commitment in our more recent budget to put in place an income-contingent repayment program for student loans by September 1998. Given the progress made at this point, we've got a real challenge. We're going to have to make this a real priority. We've been working with the federal government to develop a joint program in this area.

I will say we were somewhat surprised with this particular announcement more recently. At the annual premiers' conference a couple of months ago, the premiers

examined student indebtedness and increased loan levels. They called on the federal government to work with the provinces and territories to expedite the current review that I've just described — we're now talking about loan limits here — noting the concern that exists around debt, which all of us are concerned about. We hear from our constituents in this regard. People are already planning for their future, because they take it seriously.

The premiers asked that the federal government pay its proportional share of debt reduction or management programs. Right now they do. They are responsible for 60% of the student aid debt. Having said all of that, this will be an issue, I believe, at the first ministers' meeting. It will be on the agenda. We're talking about youth unemployment. We're looking at that significant number of young people and we're looking at accessibility to excellent education and opportunities for good jobs.

We're very much committed here in Ontario. I know the Minister of Education would be much more articulate in this regard, but we are looking at our loan programs. We are looking at the whole issue of accessibility to programs where students in our universities get well-paying jobs. We're looking at the accessibility to what many of us would call professional programs, where students are more able to pay back their loans. We're also looking at accessibility for single parents and individuals who perhaps won't be as able to pay back certain levels of loans. We're considering all of those issues as we look at this loan plan and repayment plan.

But we need two partners. We need partnerships with the private sector, ie, the banks, one very important partner, and we need partnerships with our federal government. I know there have been active discussions in this regard. I know everybody here is extremely pleased with regard to the way that Canadian universities — but we can only speak of Ontario universities here — have responded in raising funds for students, to increase accessibility in their own universities, and bursaries for those who wouldn't have that kind of accessibility in many instances. When given the opportunity, through some incentive in the last budget where we were matching these contributions — I forget the total number, but I think it was something like \$400 million across our university system. All I can say about that is that it's important that our alumni recognize those opportunities they had, and we do not do this nearly as well here in Ontario as some of our other provincial counterparts and definitely not to the great extent our American neighbours do.

**1740**

This is an opportunity to thank — Mr Wildman, you can take this opportunity to respond to this, but I think it was your government. It certainly started with the Liberal government, which finally recognized endowments to universities for purposes of tax credits here in Ontario. It was started by the Liberals. I remember Mr Sweeney, and I'm trying to think of the education minister who would have been responsible at that time. I just can't remember. Can you, Mr Wildman? It might have been Chris Ward. It wasn't Conway; it was somebody after that. It may even



have been Lyn McLeod. I was excited as a school board chair at that time and then later as the critic. We finally got it through with your minister at that time, who may have been David Cooke, but it may have been Mr Silipo.

**Mr Wildman:** I appreciate your detailed answer, but I guess the bottom line is that you don't know. You don't know because the federal government hasn't contacted us about the specifics at this point.

**Hon Mrs Cunningham:** The education ministers had met the week before. I know they'll be corresponding with the federal government. But more importantly, if you remember my response to the question about the first ministers' meeting with the Prime Minister, this was an issue, youth unemployment, which does involve education, which does involve loans and does now involve debts and repayments. This will be on that agenda along with health.

**Mr Wildman:** At the risk of being accused of being politically partisan —

**Hon Mrs Cunningham:** Be careful now. I was just so gracious, was I not?

**Mr Wildman:** No, I'm not going to attack you.

**Hon Mrs Cunningham:** Well, I did hurry it along as the critic, I remember.

**Mr Wildman:** I was going to attack the federal government, actually.

**Hon Mrs Cunningham:** Oh, all right.

**Mr Wildman:** It might be argued that one of the ways to improve accessibility at the university level is for the federal government — which is anticipating, we'll see, surpluses financially — to restore its transfer payments to post-secondary education, which it cut substantially, beginning under Mulroney and then continued by the Chrétien government. If those transfer payments to the provinces for post-secondary education were to be raised to the levels they were prior to the cutbacks, universities might be able to finance a lot of the programs students need without increases in tuition fees. But then I might sound as if I'm being too critical of the federal government, so perhaps I shouldn't say that. We are here, after all, in sort of a non-partisan seminar in these estimates.

I am very concerned, as you know, about the levels of student debt. Even when you raise the issue of income-contingent repayment plans that have been debated back and forth between the provinces and the federal government for some time, the current proposal that's on the table from Ontario to the federal government will just increase debt. Right now the average debt for students in Ontario is about \$25,000, graduating now, whereas it used to be, a few years ago, about \$7,000. The current proposal to allow debt to continue for 25 years and to accumulate interest would mean that student debt might rise to levels unheard of, \$60,000 or \$80,000, which is the equivalent of having a mortgage without a house. Anyway, I leave it at that.

**The Chair:** You only have a few seconds.

**Hon Mrs Cunningham:** I just have a few seconds. I certainly share your observations. With regard to equitable treatment, the education piece is part of the CHST, and you might be interested to know that there is a shortfall

between Ontario's actual entitlement versus what we would receive if we were allocated to our province the CHST on an equal, per capita basis. I certainly share your observations about when it started and applaud your efforts in this regard when you were in government.

In 1996-97, our shortfall — and I can see my colleague listening very carefully, because he's going to write this down too — was \$420 million that we should receive on an equal, per capita basis. These are the kinds of decisions we, and some of you if you're representing your caucuses — this is the kind of information that will be distributed, I'm sure, during our discussions, because this is one of the grievances that all governments in Ontario have had, evolving to a greater extent in the last 10 years and certainly since the changes to the transfer payments. But in 1997-98, it'll be \$365 million. You just add that up over two years, and you're looking at \$800 million, almost \$1 billion.

**The Chair:** Madam Minister, I have an idea that this interest may be shared by the members of your caucus, and in the interest of fairness to them, maybe I could interrupt you at that juncture and ask them for their pleasure in terms of the questions they'd like to see considered. Is there someone who would like to lead off?

**Mr Chudleigh:** Yes. I was really hoping I might get an answer to my previous question.

**The Chair:** Yes, of course, to do with the premiers' conference.

**Mr Chudleigh:** I know the Chair felt very guilty about interrupting.

**The Chair:** If it had to do with the premiers' conference — and I did feel that with that elaborate and well-spoken introduction we should ensure it comes back.

**Mr Chudleigh:** There are an awful lot of issues that face all of Canada and of course national unity is one, along with youth. I think the two issues that deal with youth are the very important one of education, where hopefully there will come a day when everybody who qualifies for university can have the financial resources available to them to go on to higher learning, not only at university but also at colleges; and of course youth employment, which is a big problem across Canada and also in Ontario. In the last four months we've seen continuing increases in youth employment, which is encouraging, to say the least. It would be interesting to have your perspective on trying to prioritize these issues as to where they are going to be on the first ministers' conference and the objectives that we as Ontarians would like to see come out of that meeting.

**Hon Mrs Cunningham:** I'm sorry, I tried to find something I thought everybody would find some interest in. I think we should be rather proud of the fact that people are focusing on solutions but rather ashamed of the fact that we've allowed all of this to happen. My personal viewpoint has been that we haven't worked as hard as we could in the last 10 years to create relevant and interesting training opportunities for our young people — there have been opportunities missed — and to make some demands on our private sector employers to be creative in providing



opportunities for training. It has met with, I think, some degree of interest but also emphasis to the extent that many of the provinces, their leaders, know that there are better ways of dealing with this whole issue.

1750

First of all, our young people won't be employed, no one is going to be employed, unless we all create a climate for investment. That's a given, across all political stripes in all provinces. The second piece is that you have to really be committed to economic independence. It was very interesting for us to hear from the Atlantic premiers on the whole issue of economic independence.

I'm sure the western premiers will bring forward to the Prime Minister what they brought to their colleague premiers, a paper, Western Best Practices Report on Youth Employment. It's always good to take a look at best practices, because that usually means that young people have an opportunity to be in training programs that are not only relevant, meaning they are being trained for the jobs of tomorrow, but where we measure the fact that they get good jobs. This paper, Western Best Practices Report on Youth Employment, was tabled at the premiers' conference. It was dated August 7.

They talk about so many areas that we here in Ontario have been looking at but haven't actually put into action. They take a look at issues such as the numbers around unemployment and changing job prospects. Any government is going to have some difficulty and cannot work on their own with regard to taking a look at the distribution of employment within the different sectors, whether we talk about the service sector or whether we talk about finance, business, health, education, food, retail — the whole bit.

Then they went on to talk about employment and education. We all know that the higher the level of education, the better chance a young person has of being employed, and they go on to talk about that. Then they went on to talk about the best practices, which all premiers found to be quite interesting. They started in British Columbia by saying that a guarantee for youth is a key component of the premier's youth strategy. Obviously now the different provinces are going to come together and get a youth strategy for Canada.

They talked about environment youth teams. We have this in Ontario. They had 1,400 young people. Their numbers are so much lower than ours because we're such a big province. They had work experience. They had young people who were not returning to school having those opportunities, which we're considering as well: their summer works, which we have; their first job in science and technology; their youth business and entrepreneurship; crown youth employment initiatives — the federal government picked up on that one not too long ago — and then of course the youth works, with an employability program that replaces social assistance for young people aged 19 to 24. These are best practice models.

We have a lot of controversy around this in Ontario, but we should know that other provinces are way ahead of us in regard to offering unemployed youth opportunities for jobs that replace social assistance.

The registered apprenticeship program in Alberta: We are having serious discussions. We probably will have some announcements around the revitalization of our apprenticeship programs, which are so different now than what they would have been 10 years ago. This is long overdue.

Again, I want to say to Mr Wildman that this is not a partisan discussion. All of us have been looking for better ways. The report we have been looking at is one that was started by Mr Peterson and concluded his discussions in 1989 with regard to the Premier's Council report and apprenticeship rejuvenation changes.

Careers, the Next Generation: "The private sector here in Alberta supports the preparation of high school students for the world of work through meaningful work experience, particularly in trades and technology." Youth Connections: That's the high school leavers. Youth career programs: Opportunity to take career-related programming closely linked to the needs of employers through post-secondary institutions. So even our colleges have a more important role to play. We in Ontario have been looking at that for a few years, and I think we'll come up with it.

I won't go on any further except to say — and it goes across Saskatchewan, Manitoba etc — these are the kinds of specific best-practice models that I think the premiers will be sharing with the Prime Minister. Again, the great weakness of governments has been that we haven't measured how successful our training programs have been. This is one small piece, but we as Canadians have to work together and our constituents demand that we do.

This would be one of the roles I would play with regard to the information I get at the social policy meetings, bringing back to my colleagues, over and above what they're able to share themselves in their sectoral meetings, experiences across the country that will offer our youth more opportunities for employment, which is our responsibility.

**Mr Chudleigh:** So a major objective is obviously going to be centred on youth, whether it be youth opportunities for employment or youth opportunities for further education or, indeed, education itself.

I feel that the first ministers made tremendous strides in their meeting this past summer on national unity. Obviously, national unity would be a topic on that agenda as a follow-up to this summer's successful meetings. I know there's a frustration in the country, including Ontario, that the national unity debate is still going on. I think people want to put it behind us and want to move on.

Do you see an opportunity in the upcoming meetings that this subject will continue to be discussed and continue to move forward, that there may be developing a path to a decision, a critical path towards a decision in the national unity debate? Do you see this as a major issue in the upcoming meeting?

**Hon Mrs Cunningham:** There are two parts to our discussions. Again, we had some fruitful observations and helpful suggestions made actually yesterday. Rebalancing is one of the key issues. I don't want to make light of the

reason for talking about youth employment and health. The premiers absolutely want to lay the groundwork for the important federal-provincial negotiations on social policy renewal and federal-provincial financial arrangements that the premiers have called for in their meeting from Saint Andrews.

The bottom line is that this meeting will be an important test, because the premiers are very serious, of the federal government's commitment — and everyone will be watching — to national unity in the larger sense and its commitment to cooperation with the provinces and territories with regard to a renewal of the effectiveness and the efficiency of our federation and the whole issue of rebalancing the use of the federal spending power.

I can only underline that yesterday our discussion was around levels of power. We all agreed that we're not only

talking about the provinces taking on their rightful responsibility for the design and delivery of programs close to their constituents but also that some of the programs can evolve in a different direction, where the federal government feels that it would like more responsibility.

I obviously thank you for the question. We're at the end of the meeting — I can tell by the nod of the Chair here — and I think it's a good note to end on. We're extremely optimistic. This group of premiers, in the last couple of years, with the challenge of looking at a different way to ensure the unity of Canada, is looking at non-constitutional challenges and solutions.

**The Chair:** Thank you, Madam Minister. Thank you to all the members for your contribution today.

We stand adjourned until next Tuesday.

*The committee adjourned at 1759.*

## **CONTENTS**

Wednesday 1 October 1997

**Ministry of Intergovernmental Affairs** ..... E-1123  
Hon Dianne Cunningham, minister

### **STANDING COMMITTEE ON ESTIMATES**

#### **Chair / Président**

Mr Gerard Kennedy (York South / -Sud L)

#### **Vice-Chair / Vice-Président**

Mr Rick Bartolucci (Sudbury L)

Mr Rick Bartolucci (Sudbury L)

Mr Gilles Bisson (Cochrane South / -Sud ND)

Mr John C. Cleary (Cornwall L)

Mr Ed Doyle (Wentworth East / -Est PC)

Mr Bill Grimmett (Muskoka-Georgian Bay / Muskoka-Baie-Georgienne PC)

Mrs Helen Johns (Huron PC)

Mr Gerard Kennedy (York South / -Sud L)

Mr Trevor Pettit (Hamilton Mountain PC)

Mr Wayne Wettlaufer (Kitchener PC)

#### **Substitutions / Membres remplaçants**

Mr Ted Chudleigh (Halton North / -Nord PC)

Mr Peter L. Preston (Brant-Haldimand PC)

#### **Also taking part / Autres participants et participantes**

Mr Jean-Marc Lalonde (Prescott and Russell L)

Mr Bud Wildman (Algoma ND)

#### **Clerk / Greffière**

Ms Rosemarie Singh

#### **Staff / Personnel**

Ms Alison Drummond, research officer, Legislative Research Service



CADEN  
XC26  
-E77



E-53

E-53

ISSN 1181-6465

## Legislative Assembly of Ontario

First Session, 36<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Première session, 36<sup>e</sup> législature

# Official Report of Debates (Hansard)

Tuesday 7 October 1997

# Journal des débats (Hansard)

Mardi 7 octobre 1997

**Standing committee on  
estimates**

Ministry of  
Intergovernmental Affairs

**Comité permanent des  
budgets des dépenses**

Ministère des Affaires  
intergouvernementales

Chair: Gerard Kennedy  
Clerk: Rosemarie Singh

Président : Gerard Kennedy  
Greffière : Rosemarie Singh

### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Tuesday 7 October 1997

Mardi 7 octobre 1997

*The committee met at 1535 in committee room 2.*MINISTRY OF  
INTERGOVERNMENTAL AFFAIRS

**The Vice-Chair (Mr Rick Bartolucci):** Could we come to order? I thank everyone for their attendance at the meeting on time. I guess we have unanimous consent that the estimates committee meeting vote will take place at 5 o'clock this evening; that we will divide the remaining time among the three parties; that each party will get 37 minutes, beginning with the government members.

**Mr Ed Doyle (Wentworth East):** Minister, thank you very much for attending today to answer our questions. I wanted to ask you about the throne speech on September 24, where the federal government has announced the millennium scholarship endowment fund, the Canadian millennium endowment fund. I wonder if you could perhaps give us an update on details of this fund. I'm sorry, Minister. Did you hear my question?

**Hon Dianne Cunningham (Minister of Intergovernmental Affairs, minister responsible for women's issues):** Yes, I did. I was just thinking throne speech, but I heard in the end, the millennium fund.

**Mr Doyle:** Yes.

**Hon Mrs Cunningham:** We don't really have the details, but we're looking forward to seeing them. He said that more information about the millennium scholarship will be announced after the federal finance minister's fiscal update in mid-October.

We know and we're pleased that the Prime Minister indicated that the federal government will work closely with appropriate partners to assist in the design of the scholarship, and I'd like to point out that Ontario has already led the way by creating a permanent endowment of \$500 million through the Ontario student opportunity trust fund that will assist 166,000 students over the next decade. That was our own effort to make a very strong statement about the importance of post-secondary education in this regard.

However, our main student assistance priority with the federal government is to develop a federal-provincial income-contingent loan repayment program by September 1998. This is extremely important to us. We hope that the Prime Minister's commitment yesterday to make changes to the Canada student loans program, in concert with the provinces, to address the debt burden on students, is a step

in that direction. When I say "yesterday," I think it was two weeks ago.

**Mr Doyle:** Yes.

**Hon Mrs Cunningham:** "We will," he said, on September 24, I believe, "establish, at arm's-length from government, a Canada Millennium Scholarship Endowment Fund." He went on to say that the income from the fund will reward academic excellence and will provide thousands of scholarships each year, beginning in the year 2000 for low- and moderate-income Canadians to help them attend universities and colleges. "We will be working closely with appropriate partners to help in the actual design of the fund." Hopefully, that's us.

"In addition to this one-time endowment, the government will make further changes to the Canada student loans program and will increase assistance for students with dependants." We certainly agree with both of those statements.

"With these and other measures to be developed over the next few months in concert with the provinces, we will build on the progress made in the last budget to address the increasing cost of post-secondary education and the resulting debt burden on students."

No specific value for the Canada Millennium Scholarship Endowment Fund was provided in the Prime Minister's speech, which I've already stated, but he did indicate that it would be larger than the \$800-million Canada Foundation for Innovation announced in the last federal budget. Some of the media actually reported that this would top over \$1 billion. We don't know whether it's going to be a permanent endowment or a sinking fund, depending on the way that it's organized, or how many years, a defined number of years that it may be over. But they did say they would let us know with regard to their fiscal statement, which I've already stated.

We saw in the media that Rob Prichard, the University of Toronto president, and Lorna Marsden from York University did respond; also William Leggett from Queen's. They praised the announcement in the media. Brad Lavigne, the national chairman of the Canadian Federation of Students, denounced the scholarship plan and said the federal government should be investing in needs-based grants, not merit-based scholarships.

For most of us who have worked in this field, we're always looking for a balance. Our only criticism may have been that we might have wanted to be in on the beginning of the discussion, but I think we're satisfied that we will



be asked, and appropriately so, with regard to the design and the delivery of the program. I think that's important, because all the provinces and territories want anything that's designed in this area by the federal government to support the priorities of the provinces and students in those provinces.

**Mr Trevor Pettit (Hamilton Mountain):** Minister, I understand that the ministers of social services are meeting in St John's, Newfoundland, today, all the ministers from across the country, and one of the items on their agenda is the national child benefit. I'd ask you to give us an update, if you would, on the status of the national child benefit.

**Hon Mrs Cunningham:** You're correct. In fact, Minister Ecker is working with the other social services ministers in Newfoundland. They began their discussions last evening and they're working today. My understanding is that actually it will be not just a meeting of the provincial ministers but that Minister Pettigrew will be meeting with them as well. This, in our view, is probably one of the success stories of how provinces and territories and the federal government can work together.

It would probably have been in the summer of 1995 that the premiers decided they wanted their social services ministers to look into a national child benefit, and the social services ministers across the provinces and Canada worked on this issue for a number of years. Ontario has been a key player in the federal-provincial discussions on developing the national child benefit and will continue to play that role. The finance ministers are involved as well, with the exception that there's no representation here from Quebec.

The national child benefit is intended to reduce overlap and duplication between the federal and provincial governments. It's a good example of how we can work together to renew social policy. The federal role is to provide basic income support for all low-income Canadian children through the Canadian child tax benefit. In doing so, the federal government is beginning to assume some of the costs of provincial social assistance for children.

The complementary provincial role is to reinvest social assistance funds that the province will no longer be paying for children on welfare programs in programs and services for low-income families and their children. This concept is interesting because it's being worked across Canada right now with governments of different partisan interests. I think it's great that we can focus on kids. The strategy is scheduled for implementation — obviously there's more work to be done — by July 1998.

Ontario is committed to work towards solutions that address the specific needs of children, and ultimately the province will have a reinvestment fund of approximately \$150 million. The 1997 budget announced that \$100 million of the \$150 million will be directed to the new Ontario child care tax credit.

I think that Minister Ecker today takes over the chairmanship of the social services ministers for Canada, the provinces and territories.

**Mr Bud Wildman (Algoma):** Who was the previous one?

**Hon Mrs Cunningham:** The previous one would have been the minister from Newfoundland, Joan Marie Aylward. I might say that just from seeing her in action, she was superb. She was the president, I think, of the Newfoundland nurses' union at one time and now the Minister of Health, having been the Minister of Social and Community Services, or vice versa. I'm right. We were with her yesterday actually. She represents Newfoundland on the social policy council. I think that what we've got is a group of people who are willing to work out the financial implications. Hopefully, with Mr Pettigrew, there will have been some gains today.

But it's extremely rewarding. This is the one issue where we have been in what I would refer to as a partnership with the right balance, the idea coming from the provinces and then working with the federal government, especially in this instance, around tax policies. We've got a long way to go, but since we've got a good example of what can happen when the provinces, territories and federal government work together, I think it's a good model for other programs.

Of course all governments are complaining that there were programs, and especially in the more recent throne speech, that are clearly the responsibility of the provinces, both for the design and the delivery, that were thought up and in fact should have been discussed with the sectoral ministers involved. That will obviously be brought to the attention of Mr Pettigrew, and hopefully we can still continue to work with the federal government on those areas of priorities that they delineated in their more recent throne speech.

**Mr Bill Grimm (Muskoka-Georgian Bay):** Minister, I know all members of the committee have been following your trip to Newfoundland in the media with great interest, and I'm certainly one of those. I noticed in the media some mention of a meeting of social council ministers. Are those the same ministers as the ministers of social services?

**Hon Mrs Cunningham:** That is such a good question. We had this question from the media yesterday and we had this question of ourselves. More than half of the ministers on the social policy council, which is the overall umbrella group that the premiers have established, happened to be the social ministers for their provinces. Others are ministers of intergovernmental affairs, they may be ministers of health, they may be ministers of finance. There are different ministers who have been assigned to do the overarching work of the social policy council. We decided to have our meetings so that six of them would not have to travel twice over a period of two weeks. That's being more efficient with the use of the taxpayers' dollars. The media in Newfoundland, and definitely our own members back home in all provinces and territories, absolutely could not distinguish between those two meetings. We really understand that.

Once you get into, I think in a country like Canada, trying to sort out what other countries would envy our

efforts — in spite of criticism from time to time, there's a sincere desire on behalf of all governments to get rid of the overlap and duplication and provide more efficient and effective programs where we either share responsibility with the federal government or where the federal government has clearly gotten into our jurisdiction. This is not a matter of more power for the provinces; in fact I would say it isn't more power for the provinces. It's the provinces accepting the responsibility for their own areas of jurisdiction.

We did meet yesterday on into the late afternoon, the social policy council. Today and tomorrow, the social policy ministers are meeting. I'm wondering if you want to hear the results of that meeting.

1550

**Mr Grimmett:** Yes, that was going to be my follow-up once I figured out the difference, if you could report to us on what your social policy council discussed. We're going to be hanging on that answer, I'm sure.

**Hon Mrs Cunningham:** Actually, what I'm going to do — I think I heard that little innuendo. I get so serious about my work some days I forget that there's a sense of humour that should be part of this.

**Ms Annamarie Castrilli (Downsview):** Minister, in your defence, I was shocked by the innuendo.

**Hon Mrs Cunningham:** Thank you. There we go. What we've put out is the press release, and I'll stay with the press release because there may be some areas there that I can probably expand upon. At least it names the council, so we all know what the name is here. We're the council that's been directed by the premiers in Newfoundland for the last three years. This is a new mechanism that was created by the premiers in August 1995. As you'll see by this, the premiers gave us our marching orders with regard to negotiations. We are to negotiate a new federal-provincial-territorial framework agreement on roles and responsibilities in social policy.

Although it says federal-provincial, we also must negotiate among the provinces and territories ourselves a provincial-territorial framework agreement. There's a real reason for using the word "negotiation." In the last couple of years this policy council has basically gathered information. It has been responsible for the coordination of efforts between the sectoral ministers in different provinces. At least that's been my responsibility in Ontario, to make sure that we're working together as ministers, that we each know what the other person is doing and assisting as appropriate. In huge governments, it isn't always easy, and it isn't always something they want to do.

**Mr Grimmett:** Could I ask you specifically what legislation you're talking about. Are you talking about welfare-type legislation?

**Hon Mrs Cunningham:** There would be a number of social policy issues that would be of interest, obviously any social issues, whether we're talking about a national child benefit or child care or social assistance; any education and training, which has become very difficult to manage, because different governments have different ministers. They may have a minister of post-secondary;

they may have a minister of education; they may have a minister responsible for training and retraining; they may have labour ministers responsible for labour mobility. That has been the most difficult one for us to get a handle on because the provinces treat it in a very different manner.

The ministers who have been equally successful to the social service ministers in working together within their own jurisdictions are the ministers of health. Both the provincial and territorial ministers of health and the federal Minister of Health have developed their own vision papers. I have my own personal view on this, and that is that they like to do work in their own jurisdictions but they're now being forced to work together by the premiers, with the support, at least at the last first ministers' meeting, of the Prime Minister. Mr Pettigrew has been very helpful in this regard.

The reason for this framework that we have to negotiate, as opposed to just coordinate, is because we're getting down to serious business talking about two things. This new partnership includes cooperative approaches to the federal government's use of its spending power. Every government for the past 20 years at least, maybe longer in Ontario, but especially more recently, in the last decade, has known that Ontario has not received its fair share of transfer payments from the federal government. There have been perhaps reasons for that.

But now, when we're all looking very carefully at every tax dollar that we spend, we in Ontario, who have the second-largest debt per capita, second to Quebec, who have not made the same kinds of gains in balancing our budget, must be responsible and look towards the federal government to provide our citizens with their fair share, for a good example, of training opportunities. A citizen in Ontario right now would have one half the opportunities to be retrained as a citizen in New Brunswick. That's not fair.

Those are employment insurance dollars. We've discussed in this committee that our employers and our employees send the federal government \$8 billion and we get back \$4 billion in wage replacement and training programs. We're really serious about negotiating the federal government's use of its spending power in areas of provincial-territorial responsibility. We're looking to alternatives to managing and resolving disputes. We have no say now. We might even have a phone call. It shocks me, and I think it would shock anybody from all levels of government, that these kinds of issues are often really solved by a minister in some provincial government receiving a letter. We want some common principals to guide the social policy.

The chair of the social policy council — that's Dr Russell King from New Brunswick — put an urgent call out and said that we've had some good cooperation, there has been some consensus on the national child benefit, which we've already discussed today, and we want new partnerships to make the federation work better. Our discussion with the public of Ontario in the next few months is about



making the federation work better as we move into the next millennium.

I think you can read the rest of this press release, this communiqué, but to add to it, the second part of our meeting had to do with the premiers' meeting in Calgary and the fact that the premiers will be meeting the Prime Minister later this year, early December, to discuss social policy renewal, youth employment and health care. Those three issues were established as priorities by the premiers in St Andrews. We did ask that this whole issue of negotiations around a new partnership to manage and resolve disputes, to look at the federal government's unilateral use of its spending power and to look at a new cooperative approach through a framework agreement, should also be on that agenda.

It's unusual in Canada — and we're becoming a more modern nation — that prime ministers of the past would maybe even accept agenda items. But if we're going to move forward as a modern democracy, it takes good communication. The priorities of the provinces and the premiers and territorial leaders are extremely important with regard to communicating, understanding, discussing needs, wants, differences, solutions with the Prime Minister.

It was a good meeting that I participated in representing Ontario yesterday. There were some significant gains. It's not always easy to get representatives of nine provinces and two territories to agree, but there was a very positive consensus at the meeting yesterday.

**Ms Castrilli:** It's been almost a month since the Calgary accord and it's been some time since the Premier made his announcement in the House as to what happened at Calgary. He had indicated that there was a time line within which he was operating. I wonder if you might update us one month after the fact as to where we are and where you think we're going.

1600

**Hon Mrs Cunningham:** I was hoping I had a note that I had read earlier today in this regard, because I actually wasn't at a couple of meetings that took place last Friday, I believe. The Premier has met with the leader of the Liberal Party, Mr McGuinty, and my understanding is, in Mr Hampton's absence, with Mr Silipo from the NDP. They now are discussing how all of us can work together, to put it very clearly.

There's a lot that has been learned in the last couple of weeks about what other provinces are doing. We ourselves in Ontario have had a lot of consultations outside of government. Individual members will certainly be part of where we go next. On the time frame, we're waiting to hear back from the caucuses with regard to some ideas the Premier shared with the two leaders and with our caucus as well. We're counting on the input from our citizens around the seven principles the premiers agreed were important to be discussed by the citizens of Canada.

There will be a committee struck and I will be coordinating that committee. The members who will be appointed by their caucuses, at least this is my understanding at this point — when we hear back from your leader and

from the leader of the NDP perhaps we'll have a better idea about what we want this to look like. I will say that we want it to be different from the past and that we haven't had a lot of success in committees of the Legislative Assembly that have travelled the province, so it will be interesting to see what kinds of ideas my colleagues from both the Liberal and New Democratic parties have.

We know that in other provinces there has been some indication that the MPPs should be involved and want to be involved, but they're not always going to be, I would say, the leaders of discussion of any process. There will be many ways the public can have some input. They talked about technology being available: a 1-800 line, e-mail, a Web site — I think I missed something here — the Internet and the fax line.

We also talked about getting some information to the public. From my point of view, this is going to be the most important piece that the committee has to decide. We'll have lots of good advice and we'll have lots of information, but we have to choose how best to get that information to the constituents of Ontario. I think there's a lot of important information they would probably find extremely interesting, but we also have a responsibility, if we're going to be asking them some questions, to also give them opportunities to give us some appropriate answers. That will be the responsibility of the committee, however the committee is formed.

The deadline the Premier discussed with the two leaders is that he would like to have at least some initial information, some initial ideas to share with his colleagues in early January when they get together for Team Canada. That means we would have to have our work done in the middle of December. We can also make a decision as to where we go from there. All of this, of course, must be discussed with our caucuses.

**Ms Castrilli:** Minister, I am well aware of the meeting that took place on Friday. I was asking for your views as to how you think this will play out. Do you envision, for instance, that the seven principles that were agreed to in Calgary would be sent out to the public for consultation, for questions? How do you envision that process?

**Hon Mrs Cunningham:** There are different ways we can deal with it, but the fact is that is what the premiers decided. Those were the principles the premiers decided they would have some discussion around. We may have to expand upon what they mean, but remember, we're looking for the public's ideas around what they would interpret those principles to mean and how they would see us perhaps responding to any one of them. They may have two or three areas where there's a huge discussion, as opposed to all seven.

**Ms Castrilli:** Forgive me if I seem a little surprised at your response. I'm looking at seven principles that range from what appears to be very clear language — number 3, for instance: "Canada is graced by a diversity, tolerance, compassion and an equality of opportunity that is without rival in the world"; that's pretty much straightforward — to numbers 5 and 7, which really talk about reshaping the federation.



I am wondering how you think the public can interpret these particular principles. Sending it out and saying "Tell us what you think it means" does not seem to me to be a very responsible way of going about it. If you want a specific question on the table, then I think there should be a specific question on the table.

**Hon Mrs Cunningham:** Maybe it wouldn't be a very responsible way to go about it. Some people may have some different ideas. But those were the principles. There is consultation planning in other provinces and there are different ways to go about it. I thought I did see something specific around those principles, as was set up in Newfoundland.

**Ms Castrilli:** Do you think the language is sufficiently clear to send out to people and just ask for their views and comments? This is an area where we have been plagued by the interpretation of legal language. This doesn't even come close to legal language. I am wondering what it is that you expect at the end of the process when people are just presented with seven principles and it says, "Comment."

**Hon Mrs Cunningham:** I am just looking at the Alberta one. The five guidelines went out to all the citizens with regard to how the process itself should take place, how it's open and what not, because I think the premiers wanted the citizens to know what they felt the consultation should be all about.

"The framework for discussions on national unity: The following principles were discussed by nine of Canada's premiers and both territorial leaders at a recent meeting in Calgary, Alberta. Among other things, Albertans will be asked for their views on the following framework," and all seven are listed.

But they say "among other things," so they themselves have made up their minds. Their committee made up their minds with regard to the dialogue on unity. They basically say: "We want to know where Albertans stand on national unity. There will be a non-partisan debate on unity issues in the Legislature." They've gone that far. "Your opinions will guide our discussion on how best to express what Albertans value within Canada." This is just one of a number.

They have sent out the seven principles. They talk about which groups can get involved, "when we need your input." They talk about getting their ideas around the seven principles. They actually ask them if they support the framework. "What are the elements in the framework that you particularly like? Are there any elements in the framework that concern you? Why?"

I think the challenge for us as legislators is going to be, how do we disseminate this information? What kind of message do we put forward to the premiers? That will be a bit of a challenge. But no one said that, talking to the constituents, there was going to be one good way to do it, but we do know we are going to be asking everybody for their ideas and there will be lots of flexibility within everyone's ridings.

Certainly, that's been discussed with me by many members of the House who have come forward and said,

"I hope I am going to have an opportunity to participate or show some leadership or just be helpful in our riding." Those are the kinds of questions I think the committee is going to have to talk about. The challenge for the committee is that we're going to have to come up with our plan and our information and our process very quickly, because the Premier said he wants us ready to go after the municipal elections and after Remembrance Day.

**1610**

**Ms Castrilli:** I'll deal with the issue of process at this time, but I'm really interested in the issue of content. What I hear you describe is a series of open-ended questions that would be open to all kinds of interpretation. Am I getting the correct impression, Minister?

**Hon Mrs Cunningham:** Pardon?

**Ms Castrilli:** Am I getting a correct impression that we're talking about an open-ended process where people could comment on just about anything as long as it was under the heading of -

**Hon Mrs Cunningham:** I'm just telling you what I know about what has happened, and certainly if I've been asked to do this job, I don't want to preclude whether its open-ended or more specific, or we give them lots of information or whatever, because we have a choice in Ontario to do whatever the committee wants and thinks is appropriate in consultation with all our colleagues.

**Ms Castrilli:** Let me be more specific, maybe this -

**Hon Mrs Cunningham:** If you've got some ideas, why don't you put them on the table now and then we can think about them.

**Ms Castrilli:** We'll certainly get to that as well. Your statement to this committee seems like months ago now. We've been at this for a long time.

**Hon Mrs Cunningham:** It seems years ago to me.

**Ms Castrilli:** On page 2, for instance, you said, "The ministry is collaborating with federal and other provincial governments to rebalance...the federation...to deliver programs." You repeat that in another guise on page 12 where you talk about the Ontario perspective with respect to the social policy council you were referring to before and the reform and renewal steps you envision, including "the need to develop mechanisms to reform the management of the social union...including a federal-provincial review of new approaches to the use of the federal spending power...a reform of fiscal federalism." Is that all on the table in this?

**Hon Mrs Cunningham:** Yes, in my view it is. I think it's point 7, isn't it?

**Ms Castrilli:** Yes, that's where I was leading to.

**Hon Mrs Cunningham:** Yes, that's part of the discussion. To put it bluntly, we're all interested in improving the way the country works. We're all interested in the efficiency and effectiveness of the federation. We all know we can do a better job. We also know there are some provinces that are very much concerned about the lack of response from the federal government with regard to making this a priority issue for them. That doesn't mean to say that will be their approach in the future.

I think the federal government is extremely interested in this consultation. I think if they see, from every day, citizens who live in communities in parts of Canada who may feel they don't have the same opportunity to programs and resources for their children and that there could be a better way of reaching them, they're going to tell us about it. That means we do have to be more effective and efficient. I know in my job, especially with regard to my women's issues portfolio, I have spent much more time talking to people in more remote areas of Ontario than I ever do in Toronto, because they do not have the same access to programs.

**Ms Castrilli:** There's the rub. That's what is missing in the piece. You've got a seven principles for discussion, a framework which is — seven is a good point; it's one that's ambiguous. I think some people might read it exactly as you said. Others might view this as preserving the current distribution of powers. Putting that question out open-ended, as you said, I understand you want to do something new, but those kinds of issues have been exactly the ones that have plagued us in the past and have caused the kind of controversies we've had around Meech Lake and Charlottetown.

Do you not worry, Minister, that leaving it so open-ended and leaving the language so vague may be counter-productive, particularly when you say you're not sure how you're going to tally all the information you get because you've left it so wide open? Let me add another question to that: Do you not worry that the misinterpretation that may occur will fuel passions more than we really want to do at this stage?

**Hon Mrs Cunningham:** I think we have to go back to the beginning and why nine premiers and two territorial leaders decided at the annual premiers' conference to have that meeting in Calgary, because your question, with regard to timing, is important. This was not an area that our government decided to get into, but sometimes there's a cry for leadership. We know that in Canada today our national unity is fragile and that there has been, since we were all elected in 1995, a time in the fall of that year when we almost lost one of our partners in federation, and that was Quebec.

Now the premiers and territorial leaders of all political stripes, because we all have agreed the unity issue is a non-partisan issue, have decided that the time is right, that we have an opportunity to send a message to the people of Quebec, and that we not only have an opportunity, as we did in October 1995, we have a responsibility to do so. That would be at least part of the reason for looking at what we can do as a country to send that message.

The other issue is that there are many reasons why the people of Quebec may be unhappy within Canada. We know one of those issues is the issue of rebalancing our federation. They certainly have made a very much stronger case for having more control over some of their social programs; special arrangements around their pension plan; a special arrangement around immigration; and other issues that many of the other provinces are working towards. They also feel that social policy, the delivery of

programs, is the sole responsibility of their province, and therefore they don't participate in discussions of social policy. They actually do send an observer, but they will not participate in discussions of social policy with the federal government.

Having said that, your question is, do you think the timing for this is something we want to get into? This country is worth fighting for, and many of my colleagues think this is something for risk-takers. I share your views around dissemination of information, but it is our responsibility to find a way — and there's no one way to do it. I can only say we're looking for the grass roots and we're looking for open discussions and an opportunity to hear from the people about the renewal of our federation as we move into the next millennium.

1620

**Ms Castrilli:** I'm going to say that wasn't the question I put; it wasn't about timing. My question really is, given the language, given the open-ended process you're envisioning, knowing as I know that you are a passionate Canadian and that national unity is on your mind as it is on mine, as I think it is on everyone's mind in this Legislature, do you not feel that you'll be misconstrued, that this will not be seen so much as a national unity exercise, how to maintain the partners in federation, how to maintain Quebec's uniqueness, but will be seen more as an issue of dollars and cents, of Ontario finding this way to try and rebalance the federation in other ways, which is what you've talked about here since the beginning? Do you not feel you'll be misconstrued, that your otherwise noble motives will simply become a matter of, "There's Ontario trying to get more power for itself"?

**Hon Mrs Cunningham:** No, and with the leadership of the MPPs from all parties, who certainly have had the same opinion over the last 10 years and have tried in their own way to do some rebalancing with the federal government, I expect we would have that kind of support in our communities. I also think we'll have people who can assist us.

I will say that public opinion across all provinces supports the principles of the Calgary framework. It was an extremely well-received exercise. The principles have been well received. The five points around discussion have been well received. I think the leaders and the Premier had that discussion last week. It's a pretty nice feeling to think you're on the right track after having had too many failures with regard to discussions around our Constitution.

So we're moving forward at this time feeling particularly optimistic about these discussions, and I think the public are very optimistic that they have been given this framework and are being asked their opinion. Media reports indicate the federal government is not buying the provinces' cry for more and more powers and is going to play pretty tough with us. I can only respond to that by saying that the unity of our country is non-partisan, nothing's perfect and there is always room for improvement. Our government, indeed the governments of all provinces are working hard to develop a new form of cooperative federalism which will strengthen the country.



Having said that, most of our provinces in Canada have gone through the kind of restructuring we're looking at and are just embarking upon in Ontario now. They've been there and they knew they had to do it to make their own provinces, and territories I will add, more efficient and effective. The federal government has to look at itself as well. Our emphasis has been on finding new ways to make things work better, and in spite of sometimes showing some frustration because we all, no matter what partisan stripe, owe it to that unemployed worker in Sudbury to have the same opportunity for retraining programs as an unemployed worker somewhere in New Brunswick.

**Ms Castrilli:** Minister, I'm going to run out of time soon, so I'd like to ask you another question and have you comment. I agree with you that the polls are very favourable. The Angus Reid poll, as you know, that came out a week ago clearly demonstrated that people were on side. But you know that the polls are volatile and I think one of the telling figures in that poll is one that indicates 50% of people across the country feel the Calgary accord will make no difference to Quebec staying. I find that a shocking figure, to tell you the truth, but it does show me there's some volatility there that we need to be mindful of.

There's no question the Liberal Party of Ontario is committed to the notion of national unity. We've always been involved in trying to preserve the federation, whether in opposition or in government. There has always been a great deal of input from us.

Let me just ask this question: This is a mammoth undertaking you're considering and bringing to us. We're trying to get at all of Ontario in a very short period of time with questions that have yet to be designed and tabulation that hasn't even been thought about. You're looking to try and get this all done by Christmas, with a report in January. I assume there'll be some action later on in the House.

How do you plan on doing that? Is your ministry gearing up? You have a ministry that's \$4 million and 39 or so employees strong. How do you plan to accomplish that? Do you have some budgetary powers, some funds that are coming your way, additional people? Could you enlighten us?

**Hon Mrs Cunningham:** I know you were concerned about staffing the last time you were at the estimates committee and we do have a very efficient group.

**Ms Castrilli:** Actually, about under the present circumstances —

**Hon Mrs Cunningham:** There will be a budget set aside for this and that's something the committee will set. We'll talk about it. We've certainly done a lot of work, all of us, the three-party committee. That's going to be their responsibility.

**Ms Castrilli:** The three-party committee will establish the additional budget for the ministry?

**Hon Mrs Cunningham:** We'll get some recommendations and we'll decide on how we spend the money.

**Ms Castrilli:** Do you have any parameters?

**Hon Mrs Cunningham:** I've just been advised that this was a discussion with the Premier and the two party leaders as to what kind of resources we might need.

**Ms Castrilli:** I was speaking specifically to the ministry, not —

**Hon Mrs Cunningham:** I don't know because I wasn't there, but I do know that if we don't have the money we'll find the money, because it's an important process. Other governments have had to do the same thing. It wasn't something we put into our estimates, obviously, because we didn't anticipate this. But there will be money from the government to support some outside help. The most important piece that I feel strongly about is that the MPPs have the assistance they need, both in the designing and delivery of information and perhaps in any kind of a public consultation they may have.

With regard to Ontario, our focus is on finding ways to reform the federation and we can't do that by ourselves. It has been a long-standing concern to us that a cost-effective federation with clear roles and responsibilities, so that we don't get overlap and duplication in both delivery and design of programs, is the responsibility of both provincial and federal orders of government, and 80%, as we said before, of the solution with regard to this unity process we're about to embark upon is reforming our federation. It's in everybody's interest, including all of us, the provincial government and the federal government, to find some solutions.

1630

**Mr Wildman:** I want to raise some questions regarding the process coming out of the Calgary meeting. As I understand it, the premiers have another meeting in January, at which time they are supposed to provide some sort of preliminary or interim report on the consultation with the people of the provinces, and then hopefully aim at having a final report of some sort later in the spring.

As the minister indicated yesterday, there was a meeting involving the Leader of the Opposition and our deputy leader with the Premier and there were ideas put out from all three about how the consultation might take place.

The minister has referred to some of the things that are happening in Alberta and we've had some private conversations in which she has indicated she might share some ideas. Is it possible for the minister to give us a sort of thumbnail survey of what's happening in the other eight provinces with regard to the consultation coming out of the Calgary framework so that we know what's happening elsewhere?

**Hon Mrs Cunningham:** Yes. I have to find a note I had in front of me when I was trying to answer your colleague's questions.

**Mr Wildman:** Mr Chudleigh informs me that was his question. Sorry.

**Hon Mrs Cunningham:** It is here. The reason I have it is because the Premier asked me the same so I thought I'd better find out what was happening. Do you want to hear province by province? Because it is rather interesting. We put this together for the Premier at his meeting last week.



**Mr Wildman:** I don't want to go lengthily into it all, but I would like to have some idea of what progress has been made by the various jurisdictions. Just one comment, by the way.

**Hon Mrs Cunningham:** Yes?

**Mr Wildman:** During your exchange earlier, Minister, you indicated that Alberta was aiming at a non-partisan debate in the Alberta Legislature at some point that would lead, I guess, to an all-party resolution.

**Hon Mrs Cunningham:** I don't know.

**Mr Wildman:** I think you said that. I may be misquoting.

**Hon Mrs Cunningham:** I was just reading from their literature.

**Mr Wildman:** I would just indicate that sometimes it's a heroic assumption to assume in advance that a debate in the Legislature is going to be non-partisan.

**Hon Mrs Cunningham:** Except, Mr Wildman, in fairness, you and I have participated in two of them.

**Mr Wildman:** Yes, we have.

**Hon Mrs Cunningham:** We have kept our speeches because we put so much time into them, both of us.

**Mr Wildman:** I have it leatherbound at home — no. But the minister is quite right, we have had similar debates in the past on the Meech Lake accord and the Charlottetown agreement. Having said that, even in those largely non-partisan exchanges there were some significant differences expressed, particularly around Meech, as I recall, in the Legislature.

**Hon Mrs Cunningham:** Yes.

**Mr Wildman:** I think there was a very small number, but there were some who voted against it in our Legislature, for various reasons; they didn't all have the same reasons. I think it was only five or six — I may be wrong on that — who voted against.

I would be interested in finding out what's happening in other parts of the country with regard to the follow-up to Calgary.

**Hon Mrs Cunningham:** I can't find the part about the Legislative Assembly. I'm just looking through it. You'll find it when you're looking through this.

I really like the way that Alberta, since I'll start with them, responded. They sent a letter to all Albertans and the last paragraph said: "We ask all of you to take the time to think seriously about our future, what you consider important within Canada and what you think it means to be part of this country. We expect and look forward to a wide range of views from Albertans in all parts of the province." That kind of sums up what they're looking for.

They've got an approach that has been used in the past to consult Albertans. They've done this on seniors' benefits and how to allocate the budget surplus. There is a 1-800 number, an Internet, a province-wide householder with a questionnaire. All members of the Legislature are charged with consulting within their own constituency. They are going to be somewhat low-key because in Alberta they have no additional resources assigned for this, so people are doing it within their constituency budgets.

A summary report coordinated through the Ministry of Federal and Intergovernmental Affairs will be prepared internally by the end of November. It's going to be based largely on responses to the provincial householder questionnaire, which I think is a fairly open-ended questionnaire, so I think it's always harder to compile responses in that regard.

**Mr Wildman:** Before you go on to the others —

**Hon Mrs Cunningham:** There are four others that have made some progress.

**Mr Wildman:** Before you go on to those, I think it's sort of standard among marketers that if they get a 10% response to a questionnaire it's considered very high. Most responses are less than 10% — 2% or 3%. Let's say for the sake of argument, hypothetically, this were done in Ontario and we got a 5% response, which would be good, I don't know the industry or polling well enough to understand whether you can then extrapolate from 5% to the overall population.

It seems to me that when in the past on occasion I've done surveys in my riding, oftentimes I'm under the impression that the people who respond are the people who are angry. The people who are happy often don't respond. Maybe that's anecdotal. That's certainly non-scientific on my side.

**Hon Mrs Cunningham:** I hope you're right.

**Mr Wildman:** When I only get 2% or 3% back, I figure everybody must be happy. I'm not sure we can treat silence in terms of a response to a questionnaire as acquiescence or agreement, so I'm a little worried about this. Having said that, I would like to hear what's happening with the other three or four.

**Hon Mrs Cunningham:** My response to that, if you and I were having this discussion anywhere, would be at least we've got the opportunity here to see what we get and how we're going to deal with it, because there are going to be, hopefully, different ways people can respond. On the other hand, you've made a very important point.

Saskatchewan: It has set up an MLA-driven process with each member paired with a citizen co-chair from the riding. Premier Romanow announced these details on October 1. The local consultations will culminate in a televised conference of the politicians and the citizen co-chairs beginning November 28, to hear the reports from the consultations in each of the ridings and to attempt to achieve a consensus position as part of the conference process.

**Mr Wildman:** Somehow I don't think Glen Clark is doing this. It's an observation. In British Columbia they might not be doing the same thing.

**Hon Mrs Cunningham:** In BC? Well, I can understand. Wait until I read it to you, though; you might be surprised.

In addition, they are going to use the Internet site, as we've talked about, and that's going up on October 15. They'll have a wide household mailing and the MLAs will hold their consultations. Premier Romanow said he hoped to have a report and a draft resolution ready for the spring

session of the Legislature, but no date has been set for the opening of the session.

It will take me a while, but I will certainly share all this with you.

Manitoba has appointed a legislative task force chaired by a prominent Manitoban, Professor Wally Fox-Decent, who also chaired similar —

**Mr Wildman:** Many discussions on this issue.

**Hon Mrs Cunningham:** Yes. He chaired committees during Meech and Charlottetown and he was fairly successful.

In the previous two consultation exercises the emphasis was on legislative hearings. It's expected that this time the focus will be more on town hall discussions, use of an Internet site, questionnaires and a 1-800 number. The committee will be staffed, as in the past, by a small externally recruited secretariat. The committee will have three government members, two from the NDP and one from the Liberals. The NDP has appointed two aboriginal persons to the committee and it is understood their goal is to raise the profile of aboriginal issues. The government has requested an interim report by the end of December, in time for the Team Canada trip.

New Brunswick: They've got a special all-party legislative committee, co-chaired by the Minister of the Environment, Joan Kingston, and opposition leader Bernard Valcourt. Committee members include the current and former ministers of intergovernmental affairs and the leader of the NDP. The special committee will hold its hearings at the Legislature in October. They've got support staff from the Legislative Assembly in that case. Procedures for the hearings have not yet been announced. They want to finish by Christmas. They've got a 1-800 number and the Internet that will also be used to obtain input from the public.

Newfoundland: Premier Tobin and the opposition leader Loyola Sullivan jointly announced the plan for consultations which began running on October 1. NDP leader Jack Harris was running for mayor of St John's at the time —

*Interjection.*

**Hon Mrs Cunningham:** So there we go. Citizens are going to be directly consulted. They're using electronic means: Internet, dedicated fax.

1640

**Mr Wildman:** In Newfoundland, you're allowed to hold two different offices at once.

**Hon Mrs Cunningham:** I know.

**Mr Wildman:** You used to be able to in Ontario.

**Hon Mrs Cunningham:** They did, didn't they, a long time ago? It wasn't that long. It must have been —

**Mr Wildman:** Sir John A. Macdonald was a member of this Legislature at the same time as he was the Prime Minister of Canada.

**Hon Mrs Cunningham:** That's right.

So they're going to have the 1-800 phone line 24 hours a day, seven days a week. The members of the House of Assembly will organize meetings in their ridings, and the process is being coordinated by the government and oppo-

sition House leaders, with the Ministry of Intergovernmental Affairs providing background materials and advice as requested. They're expecting the process will run for the next six weeks, and then they expect to develop a resolution to put before the House of Assembly based on the Calgary framework.

There are a few others here. Just to go back to your initial comment, and you may want to respond further on what I just wanted to pass on to the committee members, this whole process in my view is in the hands of the premiers. They've thought about what they're going to do, at least given us a lot of freedom across the country to do something about getting input from the public. Their framework for the discussions or the five points gave us some direction.

I think the reason for looking at all of this in January is to see what they have. Maybe they'll have a better idea then about the timing with regard to Quebec. We don't know that. But we in Ontario have left the doors open for what our committee would like to do both up to December and after. We haven't said that's the end of the process.

Some of the criticism by the media where provinces did appear to — and I don't think they have; I think they simply said, "This is what we're going to get done until December, and then the premiers will talk about it." It was critical in that there would be a huge void from January to May. I think it's so difficult for most of us, even as we look at that kind of criticism aimed at other provinces, to really believe that would be so, that people would just sit back in some province and do nothing. I don't think so. But the point is, we ourselves have left the doors open so that we can decide what's appropriate for Ontario.

**Mr Wildman:** Well, I thank you. I'm concerned, and maybe it's not the right word to use — I was going to say I was concerned about the lack of exactitude.

**Hon Mrs Cunningham:** What was that word?

**Mr Wildman:** I don't know whether it's a word. I think it's a word.

**Hon Mrs Cunningham:** Can you spell it?

**Mr Wildman:** Exactitude. Clarity.

**Hon Mrs Cunningham:** I think you got it wrong.

**Mr Wildman:** Or exactness, I guess.

**Ms Castrilli:** I think you were right the first time.

**The Vice-Chair:** You were right the first time. That is a word.

**Hon Mrs Cunningham:** Mr Forward, the assistant deputy minister, said that, not me.

**Mr Wildman:** I know that may be due to the fact that the government and the Premier are searching for a way to try and have a consultation that is appropriate and to involve all players who are interested. I also recognize what the Minister has said previously in these discussions in that it probably doesn't make sense to get actually into questions of principle until we know what the political landscape is of Quebec in the future, whether there's a federalist government or a continuation of the sovereigntists holding sway in that province. But our caucus has yet to discuss in detail what our response might be to the suggestions made by the Premier at the meeting yesterday,



so I can't be any more clear. I'm not being critical necessarily in a partisan way. I just don't think any of us at this point are really at a point where we know exactly how to proceed and what's the best approach in terms of recognizing the concerns of Ontarians and the concerns of Canadians and at the same time being open to Quebec and to change that would benefit all of the provinces and the federal government.

Can I ask what the deadlines are? As I said, the premiers are having another meeting in January. If you can't give me a definitive response, that's fine. I'm certainly not trying to be unhelpful here, but I would like to know what kinds of deadlines there may be, or may not be, for that matter, in this process. What if other provinces that you haven't mentioned — I won't mention any, but what if other provinces haven't proceeded, coming out of Calgary, by the time of the premiers' meeting in January? Where are we? If you think that's hypothetical and you don't want to respond to a hypothetical question, fine, but I'm just trying to get some idea here of what the thinking is of the government with regard to these matters.

**Hon Mrs Cunningham:** We actually haven't done a lot of consulting with our own caucus members either, Bud, and they did ask for that today. They said, you know, when are we going to have an opportunity to discuss some of the —

**Mr Wildman:** We had exactly the same discussion in our caucus.

**Hon Mrs Cunningham:** I think this is something the committee has to talk about. Quite frankly, I didn't want to get into any discussion with my caucus colleagues without having this committee formed because I don't want to preclude any decisions that we might make. The only deadlines that we've got, I think, are ones that the Premier has made a decision on that he discussed with the leaders, and that is that we should get out just after the 11th, and that he needs something to take to those meetings, because all the premiers did agree. I can't imagine some province not getting something done when their premiers and territorial leaders have agreed to have some kind of an interim report in time for Team Canada, which I think he said was January 10 or something.

So for us personally, I think all of us want to get something done by the middle of December, because we don't want to be doing this over the holidays and compiling things and what not. But I thought after, the sooner we can get a little committee together, the better we can decide on even what kind of information we disseminate with our colleagues. I mean, I could give them all the information I've got, but that's not going to help them. I think I have to tell them what the other provinces are doing, give them some good data around whatever we decide would be important for them to make a decision, maybe ask them questions about what they'd like to be of assistance to them, give them some ideas on what kind of things they could be doing in the riding with a committee. There are going to be a lot of people with some good ideas.

We haven't been told at least that we can't have any money to help us. We've also been strongly advised as a government from people who have been involved in these kinds of consultations that we need to give some very good assistance to any member of the Legislative Assembly who may require or request a trained person to help them with some kind of consultation that they themselves may want to put on. That's not what we're all trained to do. Most of us don't want to — I take a look at my friend and colleague. Welcome.

**Mr Wildman:** Well, could I return to one other thing, Chair, before I give up the floor, as opposed to the ghost? I raised a question earlier on in this debate about the coming referral to the Supreme Court by the federal government. I expressed at that time some surprise and concern over the fact that the province of Ontario apparently has decided not to intervene in that case. It seems to me that the largest province in the country, with a third of the population and with perhaps the closest ties to Quebec, a province that has long been strongly supportive of the federalist system, would have something useful to say to the justices in this kind of case. It seems to me that in just about every other case that I know of of this type, Ontario has intervened, as have other provinces, to express an opinion about the referral, to try to be a friend of the court. I find it somewhat passing strange, to say the least, that we would intervene in a case related to gun control, which is very important and very topical, but not in a case with relation to the future of the country.

I'm just wondering if you can explain — perhaps you did before — what the thinking is of the government. Is it simply that you don't want to get involved in what the federal government has referred to as plan B because you're concerned that this may harm the usefulness of Ontario's intervention or leverage with Quebec? Is that the view? In other words, is the decision not to get involved in the legal discussion because of the effects it may have on your political leverage with Quebec?

1650

**Hon Mrs Cunningham:** Actually, those are very good ideas. They are. Your observations are extremely useful. I'm sure a lot of thought did go into it, but we decided, because there was so much negative when we were first elected, at least from my point of view, that we wanted to put our energy into changing the federation so that it would work better.

We also certainly during the election campaign said that we were not going to get involved in constitutional change, or if we did, we would ask the public; we would have a huge discussion with the public about that. As you know, whether we like it or not, we were in this Legislative Assembly together, you and I, and the public, in spite of all of our efforts, didn't feel they were appropriately consulted.

There was never a better consultation, I can't imagine, than what went on through Charlottetown, and yet they actually truly in the polling afterwards just said: "You never asked us. Those big, bad guys in those suits" — I love saying this whenever I get a chance, of course —



"didn't ask us." For those of us who were involved even in Meech, it was really hard to take at that time, to think that they had been left out.

We know that part of what we learned from those processes was that people did want change, but that a lot of the change could be effected through non-constitutional change, so we made a very focused effort to do just that. We wanted the practical changes that would clarify, first of all, the federal and provincial roles. There was a lot of discussion around those roles during both Meech and Charlottetown, and certainly by the former government here. They were getting extremely good advice, we felt, from within the ministry at the time, which works, I might add, in an extremely non-partisan way, because we're talking about the unity of the country. If we want to strengthen the federation, that was a very good first step. The premiers, subsequent to that, in the last two years, have decided themselves, and certainly with the leadership of Mr Romanow, that this actually would be 80% of the solution to solving the unity challenges in this country, the other 20% being Quebec.

So I think your observations at the beginning, Bud, were good ones and were considered. On the other hand, I have to be honest and say we wanted to focus on practical changes to the federation.

I want to say hello to Mr Charlton. I haven't seen him for a while.

Also, could I say that Mr McKenna did resign today, just a few hours or minutes ago or whatever. He resigned as Premier of the province of New Brunswick effective October 13. Many in this room have had the opportunity of meeting him. If you haven't met him personally, you've certainly seen his ads in newspapers, as he has been extremely aggressive and a very effective leader in New Brunswick for a number of years. Is it 10 or 12 years?

**Interjection:** Twelve years.

**Hon Mrs Cunningham:** He just finished as chair of the Premiers' conference this year and he did an amazing job of making people feel welcome in New Brunswick. I'm sure he'll go down as one of our more successful leaders and I'm totally convinced, given his passion for the country, that somehow he's going to remain involved. I just wanted to share that with you, Mr Chair.

**The Vice-Chair:** Thank you very much, Minister. It has come time to vote.

Shall votes 1501 and 1502 carry? All in favour? All right.

Shall the estimates of the Ministry of Intergovernmental Affairs carry and be reported to the House? Carried.

Just a few housekeeping matters. There will be a sub-committee meeting tomorrow. There will be no committee meeting tomorrow, though.

Again, I would like to always thank the legislative staff — Rosemarie Singh, the committee clerk; Alison Drummond, the research officer; and of course Karen and Mike from Hansard — as well as thank the minister and her staff for a very lengthy but meaningful debate.

**Hon Mrs Cunningham:** Mr Chair, I'd like to also add my thanks to the staff, who I miss. I used to sit on committees a lot for eight years, and they were probably, believe it or not, one of the highlights of the work I did. I learned lots. And I'd like to especially thank my colleagues of all parties in this House and especially you, Mr Chair, who I thought did a very fair job and used a little bit of humour in this whole process, so thank you very much.

**The Vice-Chair:** Thanks very much.

*The committee adjourned at 1656.*

## CONTENTS

Tuesday 7 October 1997

<b>Ministry of Intergovernmental Affairs .....</b>	<b>E-1141</b>
Hon Dianne Cunningham, minister	

### STANDING COMMITTEE ON ESTIMATES

#### **Chair / Président**

Mr Gerard Kennedy (York South / -Sud L)

#### **Vice-Chair / Vice-Président**

Mr Rick Bartolucci (Sudbury L)

Mr Rick Bartolucci (Sudbury L)

Mr Gilles Bisson (Cochrane South / -Sud ND)

Mr John C. Cleary (Cornwall L)

Mr Ed Doyle (Wentworth East / -Est PC)

Mr Bill Grimmett (Muskoka-Georgian Bay / Muskoka-Baie-Georgienne PC)

Mrs Helen Johns (Huron PC)

Mr Gerard Kennedy (York South / -Sud L)

Mr Trevor Pettit (Hamilton Mountain PC)

Mr Wayne Wettlaufer (Kitchener PC)

#### **Substitutions / Membres remplaçants**

Ms Annamarie Castrilli (Downsview L)

Mr Ted Chudleigh (Halton North / -Nord PC)

#### **Also taking part / Autres participants et participantes**

Mr Bud Wildman (Algoma ND)

#### **Clerk / Greffière**

Ms Rosemarie Singh

#### **Staff / Personnel**

Ms Alison Drummond, research officer, Legislative Research Service



**Legislative Assembly  
of Ontario**

First Session, 36<sup>th</sup> Parliament

**Assemblée législative  
de l'Ontario**

Première session, 36<sup>e</sup> législature

**Official Report  
of Debates  
(Hansard)**

**Tuesday 18 November 1997**

**Journal  
des débats  
(Hansard)**

**Mardi 18 novembre 1997**

**Standing committee on  
estimates**

Ministry of Education  
and Training

**Comité permanent des  
budgets des dépenses**

Ministère de l'Éducation  
et de la Formation



### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Tuesday 18 November 1997

Mardi 18 novembre 1997

*The committee met at 1600 in committee room 2.*MINISTRY OF EDUCATION  
AND TRAINING

**The Acting Chair (Mr John C. Cleary):** Good afternoon, ladies and gentlemen.

*Failure of sound system.*

**The Acting Chair:** — half-hour for estimates in the Ministry of Education and Training. We're pleased to have the minister with us today. I would also like to introduce the table officers: Rosemarie Singh; Alison Drummond, research; Carolyn Brown, Hansard; and Rocco Rampino, broadcasting and recording. It's my understanding that we start with half an hour with the minister to make his presentation and then we rotate from there on, starting with the official opposition.

It's all yours, Minister.

**Hon David Johnson (Minister of Education and Training):** I'm not sure if this will take half an hour or not, but I do have a few pages, so it might take a little bit of time to go through in terms of an introduction. I thought it would be worthwhile to talk a little bit about the education system in general and some of the situations we face.

Mr Chair, members of the estimates committee, I'm very pleased to have this opportunity to discuss the Ministry of Education and Training and our plans to create in Ontario a first-class education and training system not just for the present generation of students, but also of course we're most interested in generations to come. We are creating, I believe, a system that will be a lasting benefit to our children and our grandchildren. That's why we are committed to improving student achievement at all levels of our education and training system in the most cost-effective way.

Time and again, parents and students have told this government and its predecessors that they are concerned about the quality of education and training and how their tax dollars are spent. In that vein, I guess in particular in my former capacity as mayor and councillor, I've certainly attended many tax meetings, tax forums, where particularly elderly people and business people, but people in all walks of life have expressed concern about the cost-effectiveness of the system.

Time and again, parents and students have told this government and its predecessors that they are concerned about that quality and how the tax dollars are spent.

In education, one important measure of quality is our students' performance. Up until now, we haven't done a very good job of measuring it, and frankly, that has eroded public trust in our education system. That's why one of our very first moves as a government was to put in place the Education Quality and Accountability Office, which is an external agency designed to test our young people throughout their school lives. Now, for the first time, we have some common measures of how well we're educating our young people, and because of that, parents can now see clearly how their children are progressing.

We also recognized very early that the key component in the educational system is teachers. In order to recognize the professional nature of teaching, we set up the Ontario College of Teachers to enhance the level of expertise they will bring into the classroom.

As Minister of Education and Training, it is my duty to ask some tough questions, such as: Why is our student performance not the best in Canada? Why are our costs higher than those in other provinces? Why do our students spend less time in the classroom than students elsewhere in Canada? Why do our secondary school teachers spend more time out of the classroom than their colleagues in other provinces?

Previous governments dealt with these questions by setting up studies and commissions. There have been 24 separate reviews, 10 commissions and committees, two fact-finding reports, two panels and innumerable meetings to discuss education reform. I think that number has taken place over a considerable period of time. That may date back to 1950, actually. A few of us were in existence at that point; not all of us maybe, but a few of us. Even over this decade, I think there were something like eight different reviews and studies in the education system, and those would be of course quite timely.

It was very clear to us that these issues had been studied to death. Clearly it was time for action, time to make the publicly funded school system more accountable and time to build a system that would provide the answers parents and students need.

We identified the need and then we developed a comprehensive, multifaceted plan to give Ontarians a high-quality education and training system that will give students the knowledge, the skills and the expertise they need to succeed in our global economy today.

In January, the government announced its intention to move Ontario students to the head of the class. We have

been meeting that commitment by introducing clear, challenging and consistent province-wide curriculum, regular province-wide testing, and a standard report card.

Our new curriculum is rigorous and demanding. It has year-by-year standards that will raise the standard of education for all students in Ontario. It replaces the previous government's Common Curriculum, with its vague language and multi-year outcomes.

The first components of the new, rigorous curriculum — math and language — are already in schools this fall. But that is just the beginning. Curriculum for the remaining subjects, including science and technology — which will be expected shortly — history, geography and physical education, will be phased in over the course of the year.

By taking the lead in curriculum, we are responding to parents' concerns that Ontario's students are not keeping pace with their counterparts in other countries and other provinces. We have started our comprehensive testing program, and this fall we received a full report on the results of the first grade 3 test. These results give us a baseline on which to gauge students' progress as they learn the new curriculum.

To give parents a clearer understanding of how their children are doing, we've introduced a new, standard report card to replace the hundreds of different report cards that were being used across the province, which I must say I'm sure many of us have heard of from various parents. Parents in general were not fully satisfied with those different report cards. Parents will receive the report card at least three times a year, and the first report card will be issued before the end of December. This report card matches the grade-by-grade expectations in the new curriculum.

From now on, parents will be able to turn to the curriculum to discuss with teachers their children's strengths and weaknesses based on the curriculum standards, and they'll be able to question teachers about what additional instruction is needed to ensure standards are being met.

In addition, we're introducing a new, four-year high school program similar to that in the other nine provinces and 50 states. The program will be streamed, including grade 9. It will be more challenging. It will encourage our children to reach higher and to develop the skills they need to succeed. This new four-year high school program will start with students who enter grade 9 in September 1999.

In support of our plan for education reform, we have taken forward two pieces of legislation. Earlier this year, as some of us here I'm sure will recall, the Legislature passed the Fewer School Boards Act, 1997, which allowed us to establish a new school board structure and conduct elections for a reduced number of school board positions. Those elections took place over a week ago, on November 10, at which time Ontarians elected trustees for their new district boards which will come into effect on January 1, 1998. When the new district boards come into effect, trustees will be able to concentrate on their core objective, being guardians of education in their communities. School boards will be able to renew their focus

on the students in the school and devote their efforts to student achievement, reporting and curriculum implementation.

With the introduction of the Education Quality Improvement Act, 1997, we've taken the next step in the fulfilment of our plan. The bill is intended to fill in the outlines of the new school system set out in the Fewer School Boards Act, 1997. If it is passed, the Education Quality Improvement Act, 1997, would help ensure a smooth transition by improving the quality of our education system, improving the governance of schools, increasing the involvement of parents, and simplifying the financing of the education system. The bill would allow the government to set standards that will promote quality.

#### 1610

The Education Improvement Commission recommended reducing the number of professional activity days during the school year and also reducing the number of exam days in secondary schools. That's why our amendment to Bill 160 reduces professional activity days during the school year from nine to four and examination days from up to 15 to 10 at the secondary level. This would increase the number of days that high school students spend in the classroom from 170 up to 180. I might say that the national average in that regard is 181, in case I don't say it later on, and also that the remaining 10 days of exam time at the secondary level would exceed the national average by two days, with exam days across Canada being an average of eight days in other systems.

At the elementary level, professional activity days during the school year would be reduced from nine to four, which would increase the number of days elementary students spend in the classroom from 185 to 190, which again brings us up to about the national average at the elementary level.

Bill 160 proposes caps to average class sizes, another initiative designed to improve the quality of our students' education. The average elementary classes would be capped at 25 and the average secondary classes at 22 for each board. In recent years there have been several instances of unions and local school boards bargaining to increase class sizes. We want this practice to stop.

Another thing the bill would do is promote improved student access to professionals with special expertise who can work with and complement the role of teachers. The support from specialists — for example, in computer technology, arts and career guidance, to name a few — would be used to complement the instruction provided by teachers and would enrich our children's education and broaden their horizons.

In its recent report, *The Road Ahead*, the Education Improvement Commission noted that the amount of time students spend on learning is an important factor in determining their achievement levels and their ability to compete with graduates of education systems in other jurisdictions. The EIC found that while Ontario elementary teachers spend the same average number of hours in the classroom as teachers in other provinces, our high school



teachers spend considerably less than the national average time in the classroom with their students.

I believe high school teachers should spend more time with their students in the classroom, and we have introduced an amendment that writes directly into legislation the minimum amount of time classroom teachers must spend in the classroom. At the secondary level, teachers would spend about an extra half-hour each day in the classroom teaching students. This would bring them close to the national average, perhaps just a bit below the national average. It's 1,250 minutes per week that would be spent in the classroom. Elementary teachers already teach approximately the same number of hours as the national average, and in the elementary system that's 1,300 minutes per week.

The amendment to the bill would also allow for flexibility at the local level so that principals can distribute instructional time according to the different workloads and experience of teachers.

The bill would help us make the system more accountable to parents. It would make it mandatory for school boards to establish councils in every school. This has already been done in most schools; I think about 95% of the schools. The new bill would make it a legal requirement. School councils would give parents and others in the community interested in education issues a voice in how schools operate both inside and outside the classroom. It is intended that these councils would build on the success of traditional parent-teacher groups and advise principals in many areas, including student discipline, student safety and local priorities.

The bill would also give the province, not school boards, responsibility for setting all education property tax rates. It would introduce a province-wide education tax rate beginning in 1998.

Last year, the people of Ontario spent more than \$14 billion on elementary and secondary education. School boards have increased residential property taxes by an average of 7% a year over the past 10 years, which would have doubled the taxes in those 10 years. If these trends continued, residential property taxpayers would be paying \$6.2 billion for education by the year 2000. As a result of our bill, residential tax revenues for school purposes would be cut from \$5 billion to \$2.5 billion and the rates would be frozen.

With these changes, owners of taxable residential property with the same assessed value would pay the same education property tax, before subclass reductions, no matter where the property is. A uniform rate structure for residential properties is fair and is consistent with the government's plan to ensure that students across the province have equal access to high-quality education.

The right of boards and teachers to bargain for a collective agreement is continued in Bill 160. The provisions of the Labour Relations Act will apply, except where there are special provisions for the education sector. Negotiations for a first collective agreement would begin on January 1. Existing terms would continue during the new

negotiations. This is a fair approach. It is a reasonable approach.

I want to emphasize that we are committed to improving the quality of education as well as the accountability and cost-effectiveness of the system. To make it work for our students will require the efforts of teachers, school boards, the government and everybody involved in the education system working together. We will work together through the transition to a new, better, more accountable education system for our children. I believe that collectively we have the courage, the strength and the collective wisdom to make a better place for our children. Thank you.

**The Vice-Chair (Mr Rick Bartolucci):** Thank you very much, Minister. We will now move to the official opposition, who will have 30 minutes to respond and ask questions.

**Mr Gerry Phillips (Scarborough-Agincourt):** I think we'll spend the bulk of our time asking questions of the minister. I'd like to focus a little bit on the finances for a moment. As we look ahead to 1998, starting in a few weeks, what per cent of the provincial revenue to fund education will be property taxes versus provincial revenues?

**Hon David Johnson:** What per cent will be —

**Mr Phillips:** Raised off the property tax to fund education.

**Hon David Johnson:** Peter Wright of the education finance branch may have those —

**The Vice-Chair:** I'm sorry, Minister. Peter, when you come to the mike, could you identify yourself for Hansard?

**Mr Peter Wright:** My name is Peter Wright. I'm the director of the education finance branch. Which year were you interested in?

**Mr Phillips:** In 1998 and future years, just what percentage.

**Mr Wright:** Basically 50%.

**Mr Phillips:** Is that 50% from property tax?

**Mr Wright:** Fifty per cent from property tax — that's both residential and commercial — and the balance from operating grants.

**Mr Phillips:** That's quite a surprise, I think, to a lot of the taxpayers. They had thought it was coming off property tax, but half of it will be funded off property tax in the future. Is that a fair conclusion?

**Mr Wright:** Yes.

**Mr Phillips:** The public are used to, I think — I should be asking the minister this — some input into the setting of tax rates. If it were a municipality, you know from your experience, if you're setting the property tax rate, you would have the East York council filled with the ratepayers inputting. The provincial government now is going to set this half of the revenue for education. Will that be a public exercise? Will it come before the Legislature and will all of us, the government caucus and the rest of us, have a chance to see what you're planning and a chance to have a vote on it in the Legislature?

1620

**Hon David Johnson:** You've commented on two portions there. Maybe I could respond. The way the system is today, the school boards would set their requirements, and those requirements are passed along to the municipality. Having served on a municipal council for over 20 years, I'm well aware of the situation. Although the school boards' requirements can be debated today by the municipal councils, municipal councils have no authority to change them or to do anything about it. Indeed, I have over the past number of years been involved in tax meetings in East York. I'm sure Scarborough, where you come from, has had similar sorts of tax meetings —

**Mr Phillips:** Could we get to what's planned and will there be —

**Hon David Johnson:** I'm just responding to your whole question.

**Mr Phillips:** — a public debate on the mill rate that the province —

**Hon David Johnson:** I'm comparing the two systems. In the present system, people coming to those meetings have found they have had no influence over the system because the school board has set it, passed it along to the municipality, and senior citizens, business people have expressed huge concern. If it's the municipality that collects it today but the school boards essentially set it, the result has been that over the past 10 years, as you see in my notes, the average increase per year has been about 7%. This has been a great concern to people.

The system, the way it's going to be implemented, will be implemented through regulation in the first instance, so the government will determine the rate. It's anticipated that in future years this will be done through legislation and would be done through a public process.

**Mr Phillips:** Just to summarize, then, because I don't think, at least not the taxpayers in my area, have been aware of it: I gather from the comment that half of the \$14 billion will be raised off property taxes. That's \$7 billion of property taxes. The mill rate will be set by regulation. There will be no debate; it will be done by minister's regulation. The way the law is written, if that is put into law, that's not just for 1998; it's for 1999, 2000, and there will be an election and there will be in the future different governments. The way you now plan to deal with education, if I can be very clear, is that half of it will be funded off property taxes, and that will be set not through the Legislature, not through any debate but strictly by the stroke of a pen, and no one will know about it until Saturday, when the Gazette comes out. That's when we'll find out. That's when the public will find out about the \$7 billion. I hope I have interpreted you properly on that.

**Hon David Johnson:** I'm sure you've put your own colouring to it. I think the reality is that when you look at the system over the past number of years, the people of Ontario have not been satisfied with the increases in the education system. I've certainly experienced that in East York. I can only tell you that I've attended meetings at East York Collegiate, for example, jam-packed with people expressing concern about increases in the education

system; an average increase of 7% a year over the last 10 years, an almost 100% increase in the cost of education through that period of time. People are far from certain that we are getting the kind of value those increases would entail.

The system that's being put in place, number one, would take off the residential taxpayer half the burden of the property taxes, about \$2.5 billion coming off the residential taxpayer. This is something that taxpayers have been asking for, for years: to get the cost of education —

**Mr Phillips:** If I might just comment —

**Hon David Johnson:** Well, sure, but do I get to finish?

**The Vice-Chair:** Yes, you get to finish.

**Hon David Johnson:** Okay. The residential taxpayers have been asking for that. Senior citizens have been asking for that year after year. That's what happens. The Premier stated that those residential rates will be set for 1998 and they will be frozen, that at the outset the taxing powers will be set in regulation. But the government will, in the future, move towards legislation and there will be that kind of debate. There is no doubt in my mind that this will result in greater satisfaction to the taxpayers, that rates will not skyrocket as they have, unfortunately, in some instances in former years.

**Mr Phillips:** We are being asked to pass to a piece of legislation, a bill. I remember Mike Harris. He was apoplectic about Bob Rae. He said: "I don't want to give him any opportunity to set taxes. I believe in local autonomy. I have more faith in the local community." Now you are asking us to pass a bill with a gun to our heads, next week, that will give this government and future governments — it says nothing about changing it down the road. It says "by regulation," and I gather from the officials, \$7 billion —

**Mr Wright:** In the earlier conversation what I thought you had asked about was the operating expenses. That's about half and half. Pension money is entirely government and it's on top, so in terms of tax, you're looking at about \$6 billion.

**Mr Phillips:** About \$6 billion — \$7 billion is important; \$6 billion is very important too. But with the stroke of a pen the government, the minister, will set \$6 billion of — I truly find it incredible that the party that said, "We must have a referendum on taxes; not just a debate, a referendum on taxes," before you could set the taxes, wants us to agree to a bill, and it's not just a bill for Mike Harris. It's a bill for the future of the province. Tell us again why the government is demanding the right to set this by regulation.

**Hon David Johnson:** I'd be happy to tell you once again at least two things: One is that over the course of the years the people of Ontario, certainly the people with whom I've dealt, have expressed great dissatisfaction with the funding of the education system the way it is today and the way it has been through former years. Between 1985 and 1995, just to take another 10-year period, the increase in the property tax system was about 120%. During those years seniors, businesses, ordinary citizens, in some cases people struggling to hang on to their homes, pay their



property taxes, people with young families trying to stretch their dollars to pay their taxes have expressed considerable concern that the system with the bulk of the burden on the property taxes was not working. It caused them severe problems. This government has heard that message, which has come like a tidal wave for years, and looked at taking the education taxes completely from the residential, completely —

**Mr Phillips:** Why wouldn't we have a debate on what you want to set? Why wouldn't that be something you would want to bring to the Legislature?

**Hon David Johnson:** — off the property taxes. This was part of the Who Does What process — as you can recall back in the spring, part of the whole Who Does What process — which leads me into my second point.

Then we listened to municipalities in terms of the transfer of funding and the transfer of I guess authorities, but primarily funding between the province, the regional municipalities, the local municipalities, and they came forward, actually. The municipalities came forward with a formula that would involve some half of the funding on the property tax but being dealt with in terms of the province setting the rate.

This is the model that came forward with the assistance of the municipalities and that is being put into play through Bill 160, which will be voted on some time over the next month or so, I guess. I think it will result in much better taxpayer satisfaction, that there is a control in terms of the spending in the education system —

**Mr Phillips:** Why wouldn't you allow the Legislature to at least have a vote on it?

**Hon David Johnson:** As we go through a transition period from the old system to the new system, there will be a need to deal with this in regulation. But as we come out of the transition period, then I have every confidence that the government will move to setting that power in the legislation —

**Mr Phillips:** Put it in the bill, then.

**Hon David Johnson:** — in which there will be a chance to debate.

**Mr Phillips:** Why wouldn't you put that in the bill, then, if the intent is to have a vote?

**Hon David Johnson:** I'm telling you that's the intention of the government.

**Mr Phillips:** With all due respect, if that's the intention, put it in the bill. If the intention is that all of us would have a vote on it, don't give yourself, the minister, the power to set \$6 billion worth of taxes. It's obscene. I can't believe you, of all people, would be saying the public doesn't have a right to be part of that decision.

**Hon David Johnson:** Mr Chair, I hope the member from Scarborough isn't, through these comments, expressing his view that the system we have in place today is satisfactory to the taxpayers —

**Mr Phillips:** Of course I'm not. I'm saying what you're proposing isn't satisfactory.

1630

**Hon David Johnson:** Mr Chair, I have explained to the best of my ability what's needed. The present system needed to be addressed. It had been brought to our atten-

tion. I'm sure that when the member was in government from 1985 to 1990, the taxpayers of the province — because I was at the municipal government at that same time — sure as heck were bringing this problem to my attention. As a matter of fact, in the early 1980s —

**Mr Phillips:** I listened to Mike Harris rail against Bob Rae and that if Bob Rae brought this bill in —

**The Vice-Chair:** Mr Phillips, just at second, please.

**Hon David Johnson:** In the early 1980s when inflation was at its height, there were some school board increases of well up into the double digits. I'm sure that the member from Scarborough would have heard the deep concern during those years in particular. It had to be dealt with.

There is a transition period that we're going through. This does have to be managed so that the system works smoothly and this is the way the government has tackled the issue. I think it will work well. I think it will ensure greater cost-effectiveness within the system, the taxpayers will be happier with the system and we'll still have an even higher-quality education system.

**Mr Phillips:** Can I ask a quick question on the principals and the vice-principals? This is quite fundamental. What I heard the government say a few weeks ago was, "We think it's important for education that the principals be part of the federation, part of the teacher group." That was all about the quality of education. For the proper quality of education in the schools, principals and vice-principals should be part of the federation. They are the principal teachers.

Then we get into a labour dispute and the principals choose to make a statement along with the rest of the teachers. The government says, "We are going to take you out of the federation because of the labour dispute." I will say that most schools never experienced a strike. I think the average school in the province never had a strike. So what you're doing, Minister, in the anger about the teachers' strike you are undermining the day-to-day quality of education. Mr Snobelen said, "For quality of education, principals should be part of the federation so they are part of the teaching group." You have this dispute, you get mad at them and you take them out of the federation.

Most schools will never experience a labour dispute. Why would we want to sacrifice the quality of education day in, day out just because it may make it easier for you to deal with a labour dispute that may or may not happen and probably in the average school will never happen?

**Hon David Johnson:** This matter has been debated for a number of years. I've talked to members, at least from my caucus, who claim this kind of debate has gone back at least into the 1970s. The Bill 100 hearings recently debated this very matter and there was a recommendation out of those hearings that the principals and vice-principals be excluded from the teachers' bargaining units. So it's not something that has just popped up overnight.

The former minister sat down with the teachers' unions. This was earlier in the year. They put four demands to him. One was, for example, that they retain their right to strike, I think that was one of them, and we certainly have gone along with that. Another was that they retain their



bargaining units, and we've gone along with that. A third one was that the principals and vice-principals would remain within the teachers' unions.

The minister at that point — a more accurate reflection of his state of mind rather than as has been characterized here — was willing to go along with that situation as well as concede the other three points of the four demands that were made, in the interests of having harmony, I suppose. He was not convinced that was the absolute best way to go in view of other proposals, other recommendations out of the Bill 100 hearings, for example, but at any rate he was prepared to live with it because he was given assurances that the principals and vice-principals would continue to fulfil their mandate during strike situations whereby they would be in the schools; they would be there for the safety and protection of the students.

Unfortunately, during the recent unlawful strike, the situation was not —

**Mr Phillips:** Unlawful or illegal.

**Hon David Johnson:** — as had been assured to the minister. In fact, as we all know in this room, the vast majority of principals and vice-principals were not there in the schools to give safe harbour to the students. As a result it was only fair to look at the situation again. The conclusion is that it simply left the principals and vice-principals in an untenable conflict situation.

**Mr Phillips:** That happens once every 20 years for two weeks. Why undermine the quality of education for the other 20 years? For the sake of a two-week dispute, why would we want to do that?

**Hon David Johnson:** In actual fact, rather than undermine the quality of education, I think this has potential for improving the quality of education in that the principals clearly have a management role inside the schools, a management role vis-à-vis their staff, the teachers. Having the dual responsibility and the conflict of being union members on the one hand, perhaps having to discipline members from their own bargaining unit, which must be a very difficult thing to do, this would clarify that situation so that they simply have a management role.

If you look at fire services or police services, the senior officers are not in the union. The situation of having a management person in a union position is something that occurs very infrequently and creates a conflict situation. So I think it could actually improve the lines of reporting —

**Mr Phillips:** For discipline and things like that?

**Hon David Johnson:** — the management role and improve the running of our school system.

**The Vice-Chair:** We will now move to Mr Caplan, and then I'd ask Mr Cleary if he could assume the chair so that I'll have an opportunity to ask a few questions as well.

**Mr David Caplan (Oriole):** I'll be quite brief.

**The Vice-Chair:** We have another 10 minutes.

**Mr Caplan:** The minister has thrown out many numbers, talking about tax increases and things like that. I'm certainly aware that in East York, where the minister is from, the mill rate increase last year was zero.

**Hon David Johnson:** I'm glad to hear it.

**Mr Caplan:** The year before that, I believe it was 1%, the year before that it was 3% and the year before that it was zero. So I'm a bit surprised to hear all these numbers flying around and not have a record of what actually happened over the last number of years. But that's aside from my question.

I have a question to the minister regarding the career and employment preparation program which is the responsibility of his ministry. It was newly implemented in April and it was to assist people, 90% of whom are youth, to acquire the skills they need to get a job. I'm quite interested to find out from the minister how many positions the ministry targeted for placement by the various employment centres in Ontario.

**Hon David Johnson:** I'm going to ask the acting deputy to respond to that question.

**Ms Joan Andrew:** The detailed allocation for each delivery agent was part of their contract. The numbers for achievement are contracted on an annual basis, so we don't have the results because it started in April and it's until next March.

1640

**Mr Caplan:** I didn't ask for the results. What was the target that was set for the employment agencies on an annual basis from April until the end of March?

**Mr Sante Mauti:** I'm Sante Mauti, the acting assistant deputy minister, training division. The question was the target that was set for agencies in terms of client service?

**Mr Caplan:** Yes. I believe the number was targeted by the Ministry of Education and Training.

**Mr Mauti:** The target for this year, 1997-98, for the transition year, was 50,000 in total. In maturity, at full year, it's to grow to 94,000.

**Mr Caplan:** The target was 50,000 and —

**Mr Mauti:** For 1997-98, as a transition year, because we also had carryover from existing programs and this is the implementation or transition year.

**Mr Caplan:** I believe it's reported quarterly. How many people have been placed into employment positions as reported to the ministry to date?

**Mr Mauti:** At the end of September, in terms of the actual on-the-job training and in the employment preparation, 42% of that total, so that would be roughly 21,000 at the end of September. Then there's approximately another 20,000 who are in the information and referral service, which is kind of a resource centre, self-directed job search assistance, which is not included in that 50,000 target but is the first point of entry in the program.

**Mr Caplan:** So 21,000 at the end of September?

**Mr Mauti:** Yes.

**Mr Phillips:** The committee meeting next door on Bill 160 is hearing a different story on the taxation issue than the minister gave us. They've requested that the minister perhaps go to the meeting next door and clarify the intentions of the government on the taxation issue. My colleague who was there has just arrived.

**Mrs Lyn McLeod (Fort William):** If I may, Mr Minister, you'll be aware that we have now some 15 minutes

left under the time allocation motion of the government to complete the clause-by-clause hearings on Bill 160.

One of the most unprecedented pieces of that legislation, as I'm sure has been discussed already at estimates, is the fact that you are giving yourself power to set \$6 billion worth of property taxes through regulation. I'm informed that you've just told this committee that it is your intention only to use that non-statutory power to tax during a transition period. That is not what your legislation says next door. The parliamentary assistant has just attempted to say that perhaps it's only going to be used during the transition period and you would come back and perhaps change the law at that point. But as you know, Bill 160, which we're considering next door, is full of references to the transitional period and limits the regulatory powers to that transition period.

If it's your intent to only use those taxation powers during a transition period, would you please, in the last few minutes that are left to our clause-by-clause consideration of Bill 160, come to that committee, and we will accept a friendly amendment that at least puts those limitations on the bill before it passes.

**Hon David Johnson:** We have tabled the amendments we are going to table.

**Mrs McLeod:** Then what you said today in committee was not true.

*Interjections.*

**Hon David Johnson:** Well, Mr —

**The Acting Chair:** One at a time, please.

**Hon David Johnson:** If you have a statement to make, go ahead and make a statement. I think I've clarified the position of the government.

**Mrs McLeod:** Minister, we are trying to deal with your bill —

**Hon David Johnson:** If you want to make a political statement, you go ahead and make a political statement.

**Mrs McLeod:** It's not a political statement; it's a question of responsible legislation.

I don't happen to believe that doing any taxation through regulation is responsible, but it is totally and absolutely irresponsible for us to be considering your legislation and your amendments — and it is going to take more time than we have just to deal with government amendments — when you're in a room next door telling us that the intent of the government is something that is in complete contradiction to what the legislation says. You're making a farce out of either this process or the process next door. If you think that's a political statement, I think it's a statement about responsible government.

**Mr Bud Wildman (Algoma):** I'm not here to make a statement. I'd like to hear him clarify his position.

**The Acting Chair:** We're going to give the minister a chance.

**Hon David Johnson:** I've made my statement, Mr Chair. The matter is clarified. If the opposition doesn't like that, there's not much I can do about it.

**Mrs McLeod:** Would you at least repeat what you said at this committee —

**Hon David Johnson:** Look, it's down in Hansard. The other members were here.

**Mr Wildman:** How are we going to vote if you won't tell us?

**Hon David Johnson:** I think the member knows how he's going to vote at any rate.

**The Acting Chair:** There are four minutes left.

*Interruption.*

**The Acting Chair:** Please come to order there.

**Mr Rick Bartolucci (Sudbury):** I have a question to the minister. I'd like to go back to the dilemma you're going to be placing principals and vice-principals in. Might I say I've spent 22 years as either a vice-principal or a principal and I haven't run into any of the problems you suggested principals and vice-principals may have. Let's put Rick Bartolucci, principal, in the school. Will Rick Bartolucci be the principal or will he be the manager of the school?

**Hon David Johnson:** The principals will be principals. If you're talking about a principal, the principal will obviously be the principal, but principals do have managerial responsibilities within their schools.

**Mr Bartolucci:** There is reference in the Education Act, and Veronica will attest to this, that the principal is the principal teacher. Will you reaffirm that the principal of the school will be the principal teacher in the school?

**Hon David Johnson:** Your terminology may be —

**Mr Bartolucci:** The terminology is very important, Minister.

**Hon David Johnson:** Yes, the principal will be a member of the College of Teachers and will be eligible to teach.

**Mr Bartolucci:** So he —

**Hon David Johnson:** He or she.

**Mr Bartolucci:** Yes — is still going to be defined as the principal teacher in the school.

**Hon David Johnson:** Is that a term you're —

**Mr Bartolucci:** Well, Minister.

**Hon David Johnson:** The principal will be a member of the College of Teachers, will be a teacher and will be eligible —

**Interjection:** Will be the principal teacher in the school.

**Mr Bartolucci:** But he or she will not have any of the rights that other teachers in that school or in that board enjoy with regard to security. Are you saying that?

**Hon David Johnson:** Principals will have their employment rights protected until September of next year. During that period of time the Ministry of Education will be involved in discussions with them, I'm sure they'll be involved in discussions with their board, to work out their employment rights and contract over the subsequent period of time.

The exception, obviously, is that they wouldn't have seniority rights, because from January to September — seniority rights pertain to a union; they will not be a member of a union, so seniority rights would be irrelevant in a case like that. They will maintain their length of service, though. Their length of service would be a key factor.



They will not be a member of a union, they will not pay union dues, but other than that, their employment rights will be protected until September, and during that period of time the ministry and the local board I'm sure will be very active in discussions with principals and vice-principals to work out the most appropriate situation for them.

**Mr Bartolucci:** Minister, you're not going to —

**The Acting Chair:** That's it. Your time is up.

**Mr Gilles Bisson (Cochrane South):** On behalf of the New Democratic Party I'm glad to be here today in this most bizarre set of estimates. Not more than 10 or 15 minutes ago I heard the Minister of Education say that they will only use the powers they've given themselves in Bill 160, in the transition year, to set property taxes in Ontario. I would like for you to clarify: Were you mistaken, do you not understand your legislation or are you trying to mislead the members of this committee?

**Hon David Johnson:** What I have clearly stated is that in the bill it sets it through regulation; there's no question about that. It's the intention of the government that at the outset this is required, to have these tax-setting powers in the regulation.

**Mr Bisson:** At the outset.

**Hon David Johnson:** Yes, at the outset.

**Mr Bisson:** What are you going to do after the transition?

**Hon David Johnson:** There is a transition period of time, and it is the intention of the government after the transition time to move towards legislation.

**Mr Bisson:** Do you understand what's in Bill 160? I'm being specific around the taxing powers of the government. The bill, as I understand it — I don't pretend to be the expert — says that the government gives itself, by way of regulation, the ability to set the mill rate when it comes to the education portion of taxes.

**Hon David Johnson:** That's right.

**Mr Bisson:** You're coming here as minister and saying to us that you're only going to do it in the transition year. You're not talking about what you're going to do during those years afterwards. We've got members on the other side, in committee, who are getting completely different answers from your parliamentary assistant as to what powers you're giving yourselves and how you intend to use those powers. So we would need to know within the next six minutes what your position is and what you're going to be doing.

**Hon David Johnson:** I don't think you're getting conflicting information. I think you're trying to portray that you're getting conflicting information, but the information is consistent. That information is exactly that the taxing powers will be in regulation in the bill. That's where they are. It's the intention of the government after a transition period to move towards legislation.

1650

**Mr Peter Kormos (Welland-Thorold):** You're suggesting, then, not by a regulatory process but by legislation which would amend the Education Act, among other things?

**Hon David Johnson:** Yes, there would have to be legislation at some point to deal with it.

**Mr Kormos:** You speak very specifically of a transition period. When you speak of a transition period, you're relying upon what time frame?

**Hon David Johnson:** I'm not certain at this point.

**Mr Bisson:** Jeez. Come on.

**Hon David Johnson:** You know what's in the bill. That's how you will vote, according to your wishes. What's in the bill is that the tax powers will be set by regulation.

**Mr Kormos:** I understand that. Of course the bill doesn't speak of abandoning those powers.

**Hon David Johnson:** No, it doesn't.

**Mr Kormos:** But you speak of the need for yet new legislation if that goal of relieving the government of setting mill rates is going to be achieved.

**Hon David Johnson:** That's right.

**Mr Kormos:** I still want a little better handle on what you mean by the transition period. When can people expect to see that legislation put forward: in a year's time, two years' time, three years' time? Surely there has to be some planning in that regard.

**Hon David Johnson:** I'm not prepared to speculate on that at this point in time.

**Mr Wright:** I think one thing that should be clear in this is that it is not the Minister of Education who is setting the tax rate; it's the Minister of Finance, in the bill, who sets the tax rate. It would really be up to the Minister of Finance to answer these questions in detail about the tax rates.

**Mr Kormos:** Quite right. I'm glad you referred to him, and I bet you are too, Mr Johnson, given that he has taken the ball out of your court. We'll put it back in your court. Clearly you're the sponsor of this program. Why wouldn't the legislation contain a sunset time frame after which the government could relinquish its mill-setting power? Why are the public forced to rely upon intended legislation?

**Hon David Johnson:** Well, in the case of the EIC, for example, it is sunsetted; it's sunsetted at five years. In this case, I don't believe there is a sunset.

**Mr Wright:** No, there is no sunset. One of the issues that finance does have to deal with is the transition and the phase-in in terms of moving from where we are now to the uniform rate in the case of residential; no decision has yet been made on commercial-industrial. There needs to be some capacity for that transition period.

**Mr Bisson:** I find it most astonishing. We've got the Minister of Education who comes in here today and who we know is saying in the legislation, "We're giving ourselves, the cabinet of Ontario, the power to set the mill rate in perpetuity when it comes to property tax assessment in regard to education." Then we've got his assistant deputy minister coming in here saying, "Well, it's really the Minister of Finance's responsibility to determine that mill rate." Who takes responsibility for education? I always thought it was the Minister of Education who in the end made these decisions. Not that I want you to make them, but if you're not prepared to come to this committee



and tell us what your intentions are for the longer run when it comes to this issue, how can we have any confidence in what you're proposing?

**Hon David Johnson:** Clearly, I take responsibility for education issues, the Minister of Finance for taxing issues. It would be inappropriate of me to speculate on what the Minister of Finance may consider to be an appropriate period of time with regard to taxing.

**Mr Bisson:** Why didn't you stipulate that in the legislation, in Bill 160, when you did it? Why not say to them either, "We are going to sunset that particular power," that you've given yourself by way of regulation or that at a specific date it would revert back to whatever? The way you guys are doing this is almost incompetent. It's as if you're shooting from the hip as you drive along in your change to the system of education and making up your mind on policy decisions based on whatever crisis happens to follow.

**Hon David Johnson:** I think the people of Ontario who have been concerned with the high taxation level, with property taxes which have gone up for education purposes by almost 100% over the past 10 years, by well over 100% between 1985 and 1995, will say that it's about time somebody came to grips with this system; it's about time somebody took at least part of the burden of education tax off the property taxpayers.

That's exactly what we're doing. We're doing it in a way that (a) allows us to hopefully give the property taxpayers a break and (b) allows for a transition from an old system to a new system. This is the way it has been approached in the bill, which freezes the property tax; at least through a transition period there's a freeze on the tax. I think at the end of the day the taxpayers of Ontario will say: "Right on. This relief is long overdue." I can tell you that from the experience of having dealt with taxpayers for well over two decades now.

**Mr Bisson:** Minister, you walked into this situation by trying to force this confrontation you've had with teachers, thinking politically you were going to have the public on your side. It was really clear at the end of that two weeks that 50% of the people of Ontario polled did not have confidence in what this government is doing in education. That's why they were supporting the teachers. Then you come in here and you say all of a sudden that the public has some confidence in you or are willing to have you set what property taxes are going to be in the future and that their taxes are going to go down. I don't think it washes.

What this is all about, and what we in the New Democratic Party have charged from the beginning, is that this is an attempt on the part of this government, somewhat successful, to get your hands on a bunch of money out of the education system. I'm amazed that the minister and the former minister and the Premier of this province stand up time after time denying what this is all about. Quite often lately we've been finding, quite frankly, that what you've been saying and what you've been preaching are two different things.

The House doesn't allow me to use the word "liar," so I won't. But if I take a look at, for example, just one little

issue, when all of this started under Bill 160, Minister Snobelen and the Premier at the time were saying: "This is all about improving the system of education and bringing in quality. It has nothing to do with taking money out." We get leaked to us Veronica Lacey's performance contract, and her performance contract says what? It says specifically that for the year 1998-99, you want to take an additional \$667 million out of the system of education. Up to that point, the government and you, as minister at the time, were saying, "This was never our intention." It wasn't until we revealed this contract that finally the government was forced to admit that, yes, you're taking money out of the system of education.

I'm getting to the question. The point is that up to that point you had denied it. It seems that almost every time it's the same story: You start out in your allegations about what your intentions are to do with this bill, and piece after piece is falling out of your reform in the system of education and we're finding out that this is all about taking money. Why don't you admit it? Why don't you just come clean and tell the people of Ontario that this is about making changes in the system of education, yes, but it is also about taking money out of the system big time. Is it not? Are you not taking money out of the system?

**Hon David Johnson:** Okay? Finished?

**Mr Bisson:** Yes. Are you taking money out?

**Hon David Johnson:** I just wanted to make sure you had time for your question.

**Mr Bisson:** Don't worry.

**Hon David Johnson:** Some of the opposition members seem to have trouble with the concept that we can achieve more than one objective in a bill —

**Mr Bisson:** No, not at all.

**Hon David Johnson:** — in particular, the objectives of quality on the one hand and efficiency on the other hand. There is actually a third objective in terms of accountability in the system as well: Through the school councils, there would be greater accountability.

But let's just look at the objectives of improving the education system, reforming the education system, and achieving greater efficiencies. This government has never denied — as a matter of fact, this government is proud to put forward both of those objectives. On behalf of students within the system, we're saying that our students deserve the same amount of instructional days as students in other jurisdictions.

**Mr Bisson:** Is it the intention of this government — Chair, I asked a specific question.

**Hon David Johnson:** In the other provinces across Canada, for example, secondary students have 181 instructional days.

**Mr Bisson:** Are you or are you not going to take money out of the education system?

**Hon David Johnson:** This bill, through the amendment, will increase our instructional days up to 180 in the secondary system.

**Mr Bisson:** Are you or are you not going to take money out of the system?

**Hon David Johnson:** That will be a quality aspect of this bill. As a result of this bill, our students will have more time, 10 more days, adding quality. Our elementary students will have five more days, quality days.

**Mr Bisson:** I asked you a simple question.

**Hon David Johnson:** The class sizes —

**Mr Bisson:** Will you, as the Minister of Education, be taking additional money out of our system of education over the next year or two? Yes or no?

**Hon David Johnson:** The average class size at the secondary level will be set at 22. The average class size at the elementary level will be set at 25.

*Interruption.*

**Mr Bisson:** Chair, what are you going to do?

**The Acting Chair:** Order. If we continue to get interruptions, we may have to clear the room. I don't like to do this, but we've got to let the minister and the member argue this out.

**Mr Bisson:** I would like an answer. I asked a question about money.

**Hon David Johnson:** As a result of setting the average class size —

**Mr Bisson:** We will get to quality issues after. Let's talk about money.

**Hon David Johnson:** That is a quality issue. You're interested in quality issues, I know, as well as money. I'm talking to you about quality; I'll get to money.

**Mr Bisson:** Are you going to get to money within the next fifteen minutes?

**The Acting Chair:** Let the minister answer.

**Hon David Johnson:** As a result of this —

**Mr Bisson:** Is it your intention to blather on or to make a point?

*Interjection.*

**Mr Bisson:** You guys are rude. Don't talk to me about rude.

**The Acting Chair:** Let the minister answer, and then you can ask him a question.

**Hon David Johnson:** Mr Chair, he asked a question about quality and about efficiency. I'm prepared to answer both, but it's hard if he interrupts.

As a result of setting those average class sizes, we will not see the increases in the class sizes that we've seen at the elementary level for the past six years or so. That is not adding quality, by seeing those class sizes. We will ensure that quality. We will ensure that there are qualified individuals in the classroom complementing our teachers. That adds quality. The mandatory school councils, through the parents, will add quality. This will all improve the quality in the system. That's on the quality side, so there is clearly established a quality aspect to the bill.

1700

On the efficiency side now, this government has never denied that we need to look at every ministry, that we need to find savings in every ministry. Is there anybody in the province of Ontario who thinks that in the over \$14 billion spent in the elementary and secondary system today, every nickel is spent to best advantage, that there aren't some ways —

**Mr Bisson:** Nobody's saying that.

**Hon David Johnson:** Then we're on the same wavelength. We're saying we must find that, and yes, we are going to be looking for those savings within the system.

If you're going to say to me that there's some ironclad number that we must achieve, such as \$670 million or \$700 million or this or that, I'm going to tell you that that's not so. But I do have to look in the system and achieve what I can achieve for the taxpayers of the province. At one point it was felt that \$670 million may be achievable, and that's what's reflected in the draft performance contract of the deputy minister. But the changes and what will actually be invested in our system will be determined through the budget process, through the estimates process that will take place next spring for the year 1998-99 and the following spring for the year 1999-2000. I'm here to tell you that we will ensure that the moneys are there to improve the quality in the education system.

**Mr Bisson:** I asked you a question, and by the time you got to the end of your response, you somewhat got to the answer. The question was, is it your intention over the next two years to withdraw yet more money out of the education system? I take it your answer in all of that was yes.

**Hon David Johnson:** My answer is that we'll be looking for the best value for the taxpayer —

**Mr Bisson:** Is there less money or more money?

**Hon David Johnson:** — and if we can achieve that in a high-quality system and less money, then you want to believe —

**Mr Bisson:** Okay: less money. Now, the subsequent part of the question —

**Hon David Johnson:** — that this government will only spend what it has to spend. On the other hand, if it requires more money to ensure that quality, we'll spend more money.

**Mr Bisson:** Okay, we know you want to take more money out of the education system. How do we know that? We take a look at your budget document, the 1997 budget document. I remember; I was in the Legislature. If you take a look at what you're planning in the system of education, if you look at the actual money spent in 1995-96 over 1997-98, there is a reduction from \$8.3 billion to \$7.7 billion. That's in your own budget documents. That's what you planned for.

If we take a look at the Veronica Lacey performance contract, there's clear mention in that contract that you're taking out at least, if we believe this draft — is this draft 1, 2, 3 or 4? I don't know, but we know it's \$667 million, so we know you're taking money out.

My question simply is this: Do you believe as Minister of Education that you can take well over \$1 billion out of your system of public education and make it better?

**Hon David Johnson:** I know that today as we speak, in this year of 1997, more moneys are being spent in the school system. If you look at —

**Mr Bisson:** No. Try answering my question.

**Hon David Johnson:** Mr Chair —

**Mr Bisson:** It's one thing in the House not to get an answer, but I asked you a direct question.

**The Acting Chair:** One at a time, please.



**Mr Bisson:** The question is, do you believe —

**Hon David Johnson:** This year in the secondary and elementary school systems —

**Mr Bisson:** We'll get to the numbers, and you'll get to talk about the numbers all you want. The question I asked you —

**The Acting Chair:** Let the minister answer.

**Hon David Johnson:** This year in the elementary and secondary school systems, there are more moneys being spent than in any other year in the history of the province of Ontario. There's more money being spent this year in elementary and secondary in the school system than in 1995. Now, that's from all sources, including property taxes, including provincial revenues, including revenues from other sources. I'm not going to get caught into any particular figure.

**Mr Bisson:** I'm not asking you to get caught in a figure. I'm asking you a very simple question.

**Hon David Johnson:** We will determine what has to be spent on a year-by-year basis. That's how the budget is done for the Ministry of — pick another ministry — Finance, Natural Resources, you name it. Each one of those ministries will determine what has to be spent on an annual basis. That's exactly what I'm going to do in education.

**Mr Bisson:** Let me ask you the question really slowly, whether you as the Minister of Education believe you can take over \$1 billion out of our system of public education and make it better. Do you believe that, that you can make it better by taking out over \$1 billion from a \$14-billion system?

**Hon David Johnson:** I'm not going to respond to a question like that, other than to say that I believe the people of Ontario would say that when you're spending over \$14 billion in a system, with the kind of quality we are able to achieve because of the system the way it is today, there is room for both quality improvement — no question about it, which initiatives the government has taken — and there is also room for looking at efficiencies. How much those efficiencies will amount to, I don't know, but we're prepared to look at it on behalf of the taxpayers and see if there can't be efficiencies within the system.

If at the end of the day we find out that every last nickel is being spent to maximum benefit, that there's absolutely no waste, absolutely no duplication in the budgets and what is being spent in education, then we won't be taking any money out.

**Mr Bisson:** I take it the answer is that you believe you can do it, because otherwise I guess you wouldn't be the minister.

Chair, how much time do I have left?

**The Acting Chair:** You've got 11 minutes.

**Mr Bisson:** I guess what bothers a lot of people in this process you've embarked on — members of the opposition, parents, students, teachers and others — is the whole attitude or the whole tone you're bringing to this debate.

The first one, the biggest fallacy, is that you're somehow saying that educators in this province are not able or not willing to embrace change. I find that highly insulting

as a parent and I find that highly insulting as a member of this Legislature.

We know that teachers over the past number of years have been changing with the system of education, and in many situations driving that change. You seem to think that somehow the system of education was devised a number of years ago and that there was never any change through the whole thing, that it was stagnant. It was like the status quo for the last 50 years and nothing happened in the system of education, and all of a sudden Mike Harris and Dave Johnson and John Snobelen have come up with a vision of how to make our system better. That doesn't recognize the fact that our system of education has evolved with time, has changed with time. Why? Because time and the change in our society dictates that the system of education has to move along with it.

For you to make the kinds of comments that you have been making as a government, not only you specifically but many members of your government, including your Premier, that teachers and others within school boards aren't prepared to undertake the kind of change and somehow you've got courage and lots ofchutzpah and you can go out and do all this stuff that nobody else wants to do flies in the face of reality. And you wonder why people get upset with you.

I just have to put that on the record. I've dealt with many teachers: as a parent because my two daughters have gone through the system of public education; as a legislator; and also, for a short time, as a teacher at the secondary level on the trades side. I've always been struck by the fact that teachers and school board trustees and those people who work in the system have been on the leading edge of making change happen. For you to make those comments flies in the face of that, and you wonder why people get upset.

1710

I also get extremely upset when I listen to the Premier of the province, and I just heard the Minister of Education earlier, make comments about how local municipalities and local school boards can't be trusted to make decisions about how to set the mill rate when it comes to property taxes. I remember that Mike Harris said — I've seen the quotes, as you have — when he was the head of one of the trustee associations in this province: "I will not trust the provincial government to make these kinds of decisions. I think those kinds of decisions are best left to local trustees." As Gerry Phillips said earlier, I remember sitting in the Bob Rae government when Mike Harris made the same kind of comments, that he didn't trust the bad old provincial government; he trusted local municipalities and local school trustees. Everything you've done has been completely the opposite, and you wonder why people get upset.

I just want to say for the record that I don't know who you guys have been listening to or talking to, but you're not talking to the people out there, because the people are not with you, they're against you, when it comes to these particular issues.



I want to ask another question on a different issue around education before my time runs out, and that's on the question of apprenticeships. I was quite fortunate. I went through a system of apprenticeship to become an electrician, I would argue a very good system, at the community college level. Now I hear, through the machinations of this government, through discussion papers you have out there, through the Veronica Lacey contract and through questions that were raised in the House today by our education critic that you plan on making some pretty fundamental changes in apprenticeship training that have nothing to do with increasing the quality.

You're actually proposing — I listened to you today in the House — that you will charge apprentices for their time in school while they go to community college to pick up the theoretical side of their training. How does that make the system better? Tell me how you're going to be able to increase the quality of apprenticeship training by doing the kinds of things you're planning on doing, including charging apprentices for the time they are going to spend in school.

**Hon David Johnson:** First of all, I didn't say that in the House. I think that was one of your members who may have put that in a question. But I do feel duty-bound to respond to the first part, the preamble. I'm going to ask the acting deputy to respond on the apprenticeship program.

I believe that teachers are more than willing to change and are more than supportive of many of the changes. Obviously there's a difference of opinion on some aspects, but in terms of the report card, I think I've heard one of your own members — I don't know; it was one opposition member from one party or another — stand up in the House and say that the teachers are supportive of the report card, and I believe that's true.

**Mr Bisson:** Why are you attacking them?

**Hon David Johnson:** I believe that teachers are in support of the more rigorous curriculum. I believe the teachers are supportive of the testing. I indicated in the House that although the opposition may want to portray something differently, this government has nothing but respect for the teachers, for the job they've done, but the system —

**Mr Bisson:** That's why you've got all those ads on television. Okay.

**Hon David Johnson:** We've said over and over again, and I know you're going to portray this in another light, but that's the game we play, that the system —

**Mr Bisson:** Why the ads? That's the game you're playing. Why do you put the ads on TV?

**Hon David Johnson:** The system in place today whereby our students, for example, do not have the number of instructional days that students in other jurisdictions have is not fair to our students.

**Mr Bisson:** It's not fair for the Minister of Education to make the kind of comments —

**Hon David Johnson:** It's not fair to our teachers to be able to perform in a shorter period of time. Many of the reforms that have been brought forward, many of the reforms that are coming through in Bill 160, have the

support of the teachers, and I'm sure that everyone, when the dust settles, will say that these are good reforms. I think that should be said.

**Mr Bisson:** I can see them lining up already.

**Hon David Johnson:** Mr Chair, it's really hard —

**The Acting Chair:** Let the minister answer.

**Hon David Johnson:** I don't interrupt when he's asking a question, yet I can't get two words out without an interruption. It's most difficult to concentrate when he's doing that, and I would ask him in fairness to allow for the answer.

**Mr Bisson:** You ask me in fairness?

**Hon David Johnson:** I am going to ask the deputy to respond to the apprenticeship question.

**Ms Andrew:** Acting deputy. I'm Joan Andrew, assistant deputy minister.

Apprenticeship reform: The federal government announced about two years that by next year they would cease all support for the purchase of apprenticeship training. In Ontario that means about \$30 million a year that will be withdrawn for apprenticeship training. We have spent some time working in consultation with the partners in apprenticeship to look at how we could refinance the system for apprenticeship training to ensure the quality of apprenticeship training that we need. It may indeed involve having to pay tuition.

Right now, I think apprentices as employed workers are about the only people who don't contribute some tuition towards their own upgrading. Almost everyone else who goes to college at night or whatever has to pay some tuition. We're looking at how to refinance it, given the withdrawal from the federal government, because of a desire to keep some kind of quality apprenticeship system going in Ontario.

**Mr Bisson:** You realize the repercussion of that. In areas where there are collective agreements there is going to be some pretty hard negotiation between the unions and their employers to pick up that extra user fee you're putting on. It's an extra cost to the business sector.

What's a little bit scarier is that those places where the employer can't or the employer won't, because there may not be a union, it's going to mean in some cases that some of the very people we're trying to get into the apprenticeship programs aren't going to be able to afford to go. I can tell you as an apprentice, having gone through the system where the employer was actually I think more than fair — they paid our wages when we went to school — I couldn't have done that if I had gone under the system that you're wanting to create.

Apprentices aren't, for the most part, 18- or 19-year-old single people. They are married people with kids and mortgages, with payments on the house. They just can't afford to pick up and go to school for three months at a time for three terms and expect to pick up the fees. They just won't go. That's what I'm worried about.

**Ms Andrew:** We're also looking at other ways of doing what's called the in-school part of apprenticeship so that it doesn't all have to be block release, which is the

three-month release. There could be evening options in school. There could be a variety of other options.

**Mr Bisson:** Some of that already happens, and we understand that. The point I want to make here is that there is a very important component in apprenticeship training, especially within the more technical trades like machinists, electricians etc, where you need to get the theoretical side of the job down or you will never be able to do the practical properly. You can't do that in the workplace. That's been sort of proven. The best place to do it is in a community college. My fear is that the change that you're contemplating — I know why you're trying to make it. We understand the federal government has abandoned its responsibility. The effect is that the very people you're trying to help —

**The Acting Chair:** You've only got another 35 seconds.

**Ms Andrew:** We are also looking at options for providing financial assistance to help people offset the costs they may have to incur in paying tuition.

**The Acting Chair:** You've got a few seconds yet.

**Mr Bisson:** We'll give it to the Tories.

**The Acting Chair:** It's up to the minister if he wants to add anything to what he said; if not, it goes to the governing party. Minister? Okay, Mr Wettlaufer.

**Mr Wayne Wettlaufer (Kitchener):** I'll use my time for comments or for questions. I have in front of me Bill 14, introduced for first reading April 23, 1992, by the present leader of the Liberal opposition, Mr McGuinty. It received second reading May 7, 1992. It's interesting. When he spoke on May 7, 1992, in the Legislature, and I read from Hansard: "My bill says that no strike or lockout can begin after October 31, again reflecting the fact that students are more sensitive to lost class time in the latter part of a year."

Interesting. He was walking with the pickets just recently in an illegal strike — and I do say illegal, because the judge did not rule of the legality of the strike.

**Mr Phillips:** The minister said "unlawful."

**Mr Wettlaufer:** He can say what he wants and I can say what I want. Mr McGuinty went on to say that a fact-finder's recommendation would be made and that it would be passed by a vote of 40%. He said: "I didn't come up with that number out of thin air. I got that from Ohio, and I understand that is a provision that's in other American states."

I find it very interesting that the Liberal Party's leader would advocate such a position at that time.

*Interjection.*

**Mr Wettlaufer:** I know. That was then and this is now.

I also note that in a discussion I had with a retired teacher just last week, Mr Al Flitton, retired three years ago, he produced a report for the board of education which was to be passed on to the ministry —

*Interjection.*

**Mr Wettlaufer:** I believe he probably was on your football team. He did a paper on the issue of principals and vice-principals in the union. It was his position that

principals and vice-principals should not be in the union, and the reason was —

**Mr Bisson:** Well, that changes my mind.

1720

**Mr Wettlaufer:** I didn't interrupt you. The reason, using his words, was, "The vast majority of principals and vice-principals no longer teach." He said, "In the days when they were principal-teachers it was acceptable, but now they would have to give a commitment that they are going to be back in the schoolroom every five years."

I find it odd that we have people who are interested in perpetuating a position — we had schools closed because they couldn't be administered properly because principals and vice-principals were walking on the picket line in an illegal strike, after October 31 of a year, and the Liberal leader said that was definitely not to the benefit of the students.

I also heard many other things that the teachers' unions were saying. I don't criticize teachers — I never will — but I will criticize their unions. The reason I will do so has nothing to do with my opinion on unions. The reason I do so is because I cannot expect a teacher to read Bill 160.

*Interruption.*

**Mr Wettlaufer:** Hang on. I know that many of them didn't, because —

*Interruption.*

**Mr Wettlaufer:** No, I don't expect them to, but I do expect that a union leader, if he or she is going to make a statement about what is in Bill 160, will have read the bill.

I want to point out that the union leaders have said that Bill 160 is going to permit charter schools. That's funny; I couldn't find any mention, any reference at all to charter schools in the bill. The unions also said that Bill 160 gives the government heretofore non-existing powers to intervene in school board affairs and to hire and fire board employees and trustees. Well, you know something? That was in the Municipal Affairs Act. It has been in the Municipal Affairs Act since 1935. Nobody has ever complained about it before. That's odd.

The unions also said that Bill 160 will completely destroy public education in the province. I guess it's okay, then, that in some of the northern areas — Mr Bartolucci should be very interested in this and so should Gilles Bisson. I was on the public hearings up north and I heard that the funding per student per year in some of those boards was as low as \$3,300 or \$3,800, yet there are boards in southern Ontario that are spending \$9,000 or \$10,000.

*Interruption.*

**Mr Ed Doyle (Wentworth East):** Mr Chairman, these interruptions from the back continue. They should stop.

*Interruption.*

**The Acting Chair:** Order, please.

*Interruption.*

**The Acting Chair:** Any further interjections and we'll have to clear the room.

*Interruption.*



**The Acting Chair:** We're going to recess this committee for a few minutes till we get order; a five-minute recess.

*The committee recessed from 1726 to 1731.*

**The Acting Chair:** I call the committee back to order. Mr Wettlaufer, continue.

**Mr Wettlaufer:** There seems to be some misunderstanding about one particular thing I said. I said that I didn't expect teachers to have read the bill, and some of the members of the committee seemed to interpret my remark as meaning that teachers are too stupid to read the bill. I certainly didn't mean anything of the sort. We have a long document here, 264 pages, as I recall, and what I meant was that I didn't expect any teacher to read through that bill. I will reiterate what I said, however, that I do expect the teacher union leaders to have read it and to interpret it properly.

Having said that, I will continue with what I was saying before. The unions have said publicly in commercials on television that we've already cut \$1 billion from the classroom and that we propose to cut another \$1 billion. First of all, we don't need Bill 160 to cut anything out of any ministry. The government has that authority. Also, we haven't cut \$1 billion out of the classroom. We have cut, up to this point, roughly \$325 million, \$330 million in the first two years, and the minister has already said that we believe there are efficiencies to be obtained yet, but he won't be tied down to a hard and fast number, and that's fine.

It's interesting, though, that in this bill we are proposing some measures to improve the education system. The NDP cut, in round figures, \$600 million out of the education system when it was the government in the last two years and they did not have a plan to improve the education system. I was a businessman at the time and I met with a lot of other business people. At that time, any time we tried to hire graduates we found that the level of the graduates was going down — I'm talking about high school graduates — in the areas of grammatical structure, letter-writing and spelling. I got more out of the education system 30 years ago in those three areas than the students are today.

The funny thing was that this was recognized by the former NDP Minister of Education David Cooke and he wanted to do something about it. The Education Improvement Commission, which is co-chaired by David Cooke, has also reinforced the fact that there are improvements needed, and generally speaking he agrees with the improvements recommended in the bill.

Given that background and the fact that we had the illegal strike and that the principals and vice-principals did not ensure that the administration of the schools would continue — I realize, Minister, it was a very long question — could you comment on the need for taking the principals and vice-principals out of the union? One of the comments I've heard from principals and vice-principals who have come in to see me over the course of the last two weeks is that it is our intent to replace them with non-teaching managers, ie, managers who are not members of

the Ontario College of Teachers, managers who have never had experience in the classroom. Could you comment on that, please?

**The Acting Chair:** Sixteen minutes.

**Hon David Johnson:** I've got 16 minutes to comment on it? I'm sure other people have questions too.

I'd be pleased to comment on that. In actual fact, that's something that apparently is being bandied about in various meetings, that it's the intention of the government to somehow allow for principals who are not teachers or who might have skills other than teaching skills.

If you look at the bill — and your initial reference probably was that you wouldn't expect everybody in the province to have read through 219 pages of this bill. But if you look at the bill on page 8, it defines the principal: "principal" means a teacher — a principal is a teacher — "appointed by a board to perform in respect of a school the duties of a principal under this act and the regulations." A "teacher" is also defined in here, on page 11, as "a member of the Ontario College of Teachers." That makes it pretty clear. It's pretty hard to say, when you read that, how the government would be trying to orchestrate that principals would not be teachers, that they would be some kind of managers who have no teaching ability, because it clearly states right here "principal" means a teacher."

I know that some people refer more to page 213 when they're dealing with this. Page 213 also defines a teacher:

"teacher" means a person employed in a school as a teacher, but not as an occasional teacher, and

"(a) who is a member of the Ontario College of Teachers, or

"(b) whose appointment as a teacher is authorized by the Minister of Education and Training."

Some people jump on that clause and say: "There you go. There's some evil intent of the government to allow people in, some friends of the government or something, who wouldn't be teachers." The problem with that interpretation is that if I go about two inches above that, it's clearly under the heading "Provincial Schools Negotiations Act." This only pertains to the Provincial Schools Negotiations Act and is simply a transfer of the existing language that deals with provincial schools. It has no bearing on the teachers and principals in the elementary and the secondary school system.

That's how that's being misconstrued. That's one of the many myths surrounding Bill 160. I'm glad you brought that to light and clarified that a principal must be a teacher, end of story.

**Mr Trevor Pettit (Hamilton Mountain):** I think, Mr Chair, we really only have about three or four minutes, because of a vote in the House.

**The Acting Chair:** That's what I understand.

1740

**Mr Pettit:** Minister, as you undoubtedly know by now, I have some concerns about the bill, but my concerns are the concerns that have been brought to me over the course of the last two or three weeks by people within my riding. Therefore, their concerns become my concerns.



One of the really contentious issues that has been brought forward time and again is the powers of the Education Improvement Commission. We have the opportunity today for you to describe the powers the EIC has, particularly with reference to its decisions not being reviewable in court. Could you elaborate on that and also tell us if there is any precedent for this in Ontario law?

**Hon David Johnson:** I appreciate that. The EIC generally will be looking at the transfer of people and facilities from the old boards to the new boards. We're going through quite a period of change with the old boards and the new boards and there needs to be somebody to assist in that regard. That's what the EIC is there to achieve. The EIC is sunsetted, though, so it's there for a period of five years and then it's gone.

The transition orders they make cannot be questioned in court, but if they operate outside their mandate or if they operate in a fashion outside the law, then clearly they will be in court and they can be dealt with in court. It doesn't give them any sort of immunity in that regard. It only means that within the kind of responsibilities they have, their orders cannot be questioned.

In terms of other precedents, the Ontario Labour Relations Board has operated under exactly that same situation for a long time. I don't know if it's decades or how long it is, but it has certainly been through all three governments. When the Liberals were in government, from 1985 to 1990, the Ontario Labour Relations Board had exactly those powers and still has today; through the NDP government it had exactly those same powers.

The Environmental Assessment Board has had exactly that same power and authority through all three parties in government, and I don't remember it being raised. Mind you, I've only been here since 1993. I guess we're all relatively new over on this side. Maybe one or two of the members over there have been here a bit longer so they might comment. I don't remember that matter being raised previously with regard to the Ontario Labour Relations Board, but they have exactly those powers; or with regard to the Environmental Assessment Board, and exactly that same situation persists there; or the Education Relations Commission, and they have exactly those same authorities.

In the case of the EIC it's a balance that's needed. We know we're moving from one system to another. We have the children involved in the schools. There has to be a smooth transition for the sake of the children. That's why the powers are there, so there isn't a continual wrangle, isn't a situation where every matter that's dealt with is challenged in court even though the matter falls within the purview of the EIC. That's perhaps the same reason the other bodies have the same sort of authority. But it is sunsetted.

**Mr Doyle:** Could you tell me how much time we've got, please?

**The Acting Chair:** You've got almost 10 minutes left for the governing party.

**Mr Doyle:** I mean before the end of this particular sitting in here, because we have to go upstairs to vote.

**The Acting Chair:** Whenever the bells ring, we have to adjourn.

**Mr Doyle:** I don't want to ask a question and find out I get a three-second reply.

Minister, I've had questions in my riding about the issue of the Minister of Education when it comes to the financial affairs of school boards and the relationship between the two. Are the powers that exist now similar to existing powers under the Municipal Act, for example? I think there's been a great deal of misunderstanding about this.

**Hon David Johnson:** Yes, this is another one of the myths, and this is finding its way into some fairly prominent print, I might say, which is totally amazing that this would happen.

Page 141 is the start of section D dealing with the supervision of boards' financial affairs. What we're talking about here is a situation where a board — give me an example now in Ottawa-Carleton.

**Ms Andrew:** The Ottawa-Carleton French public board, I think.

**Hon David Johnson:** The Ottawa-Carleton French public board has experienced severe financial problems. Some people might term it gross mismanagement. I'm not applying that term to Ottawa-Carleton, let me make it clear; I don't know. But if there is gross mismanagement or if there is a default or if there's a situation of a deficit problem — boards can't run deficits, but if it happens, there has been the existing power — for how many years?

**Ms Andrew:** Since 1935, I believe.

**Mr Doyle:** That's older than me.

**Hon David Johnson:** — since 1935 through the Municipal Act to deal with this situation.

There's the bell for the vote.

These powers have been in the Municipal Act, so the Minister of Municipal Affairs has had the authority to step in. First of all, though, there has to be an appointment of an investigator. An investigator has to go in and study it, and then, if the investigator indicates that there needs to be supervision, at that point the Minister of Municipal Affairs could step in and take the proper authority. If the local officials refuse to respond under direction, there is a series of penalties or liabilities or the ability to declare people ineligible during an election period.

Those are the existing powers today under the Municipal Affairs Act. They're being transferred, through Bill 160, to the Ministry of Education. It's simply taking the powers there today under the Municipal Affairs Act and putting them into play through Bill 160. Nothing new has been added; indeed I would say that to some degree the powers are a little bit weaker. Yet the perception out there is that these are absolutely new powers and that these powers relate to any circumstance that a board deals with, and that's not the case.

**The Acting Chair:** Thank you, Minister. We'll reconvene after routine proceedings tomorrow. The governing party will have six minutes left.

*The committee adjourned at 1748.*

## CONTENTS

Tuesday 18 November 1997

**Ministry of Education and Training** ..... E-1153  
Hon David Johnson

### STANDING COMMITTEE ON ESTIMATES

#### **Chair / Président**

Mr Gerard Kennedy (York South / -Sud L)

#### **Vice-Chair / Vice-Président**

Mr Rick Bartolucci (Sudbury L)

Mr Rick Bartolucci (Sudbury L)

Mr Gilles Bisson (Cochrane South / -Sud ND)

Mr John C. Cleary (Cornwall L)

Mr Ed Doyle (Wentworth East / -Est PC)

Mr Bill Grimmett (Muskoka-Georgian Bay / Muskoka-Baie-Georgienne PC)

Mrs Helen Johns (Huron PC)

Mr Gerard Kennedy (York South / -Sud L)

Mr Trevor Pettit (Hamilton Mountain PC)

Mr Wayne Wettlaufer (Kitchener PC)

#### **Substitutions / Membres remplaçants**

Mr Toby Barrett (Norfolk PC)

Mr Gerry Phillips (Scarborough-Agincourt L)

#### **Also taking part / Autres participants et participantes**

Mr Peter Wright, director, education finance branch

Ms Joan Andrew, assistant deputy minister

Mr Sante Mauti, acting deputy minister

Mr David Caplan (Oriole L)

Mr Peter Kormos (Welland-Thorold ND)

Mrs Lyn McLeod (Fort William L)

Mr Bud Wildman (Algoma ND)

#### **Clerk / Greffière**

Ms Rosemarie Singh

#### **Staff / Personnel**

Ms Alison Drummond, research officer, Legislative Research Service

C 26  
E 77



E-55

E55

ISSN 1181-6465

## Legislative Assembly of Ontario

First Session, 36<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Première session, 36<sup>e</sup> législature

# Official Report of Debates (Hansard)

Wednesday 19 November 1997

# Journal des débats (Hansard)

Mercredi 19 novembre 1997

**Standing committee on  
estimates**

Ministry of Education  
and Training

**Comité permanent des  
budgets des dépenses**

Ministère de l'Éducation  
et de la Formation

Chair: Gerard Kennedy  
Clerk: Rosemarie Singh

Président : Gerard Kennedy  
Greffière : Rosemarie Singh



### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Our address is:

<http://www.ontla.on.ca/hansard/hansard.htm>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Copies of Hansard**

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

### **Le Journal des débats sur Internet**

Notre adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance :

### **Renseignements sur l'Index**

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-3708.

### **Exemplaires du Journal**

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Wednesday 19 November 1997

Mercredi 19 novembre 1997

*The committee met at 1549 in committee room 1.*MINISTRY OF EDUCATION  
AND TRAINING

**The Vice-Chair (Mr Rick Bartolucci):** Can we call the meeting to order, please. Just a few details about the procedure. The government side has six minutes left. Then we will begin 30-minute rotations with the official opposition, the third party and then finally the government. At that point in time, we'll divide the remaining time so that at approximately a quarter to 6 we will vote, then adjourn because of the vote we have to go back to the House for Agreement? Agreed. Then we have six minutes left. Mr Grimmett.

**Mr Bill Grimmett (Muskoka-Georgian Bay):** Welcome back to the committee, Minister. I wanted to mention that when I meet with people in my riding to discuss Bill 160, there seem to be some myths that arise in the conversation and I've tried as best I can to deal with them.

One of the issues that's been brought up quite frequently is the perception that somehow Bill 160 is going to centralize the whole education system in Queen's Park. I think there is a misunderstanding that the bill will effectively bring an end to the role of school boards, and perhaps there isn't an appreciation of the role that school councils are going to play in the future. I wonder if you could elaborate on that, please, Minister.

**Hon David Johnson (Minister of Education and Training):** I'm just leafing through the submission I may have referred to in the House with regard to the Ontario Catholic School Trustees' Association. That may carry even more weight than me saying it at this point in time. I'm just looking at that very issue on page 6 of the submission which says, "Is it true that through Bill 160 the Minister of Education and Training effectively takes over the running of school boards and that trustees no longer have any real power?"

Their response is: "Part VI of the present Education Act outlines the duties and powers of boards particularly in sections 170 and 171. These powers of boards are many and include such diverse powers as budget setting, the purchase, expropriation or sale of real property, the levying of taxes" — which will change — "appointing teachers and other educational officials, the provision of accommodation and instruction, and so on for a number of pages in the act."

The submission goes on to say that these authorities are carried on through the present bill and that in fact the school boards retain almost all — they do not retain the taxation power, but they say, "will retain practically all of these same powers and duties given to boards." I guess one reason they don't say "totally" is taxation. But their exact quote here is, "The new 'district school boards' or 'school authorities' will retain practically all of these same powers and duties given to 'boards' and 'isolate boards' in the present Education Act."

There may be an unwillingness to believe the government or it may be a desire to exaggerate, but here is a third party, who has no reason to do anything but tell it the way they see it, saying that —

**Mr Bud Wildman (Algoma):** That's the way the third party always does.

**Hon David Johnson:** The present third party, I guess, to give you credit — saying that the district school boards retain practically all of the same powers and duties that they do at the present time.

**Mr Grimmett:** Perhaps you could, in the few minutes remaining, comment on the perceived role that's being taken away from school boards and how that might be dealt with through school councils as far as getting representation, and the opportunity for parents and other members of the community to participate in decision-making at the local level.

**Hon David Johnson:** The Education Improvement Commission is looking at the roles of the school councils at the present time vis-à-vis the roles of the school boards. I think for many years people have felt, probably forever but maybe increasingly so in present years, that parents and local communities should play a very strong role in terms of the education system within their communities. It's only healthy to have that kind of input into the system.

The Education Improvement Commission is looking at that at the present time. I believe that because we've mandated through Bill 160, for example, there should be school councils — indeed about 95% of the school councils are in place, but they'll all have school councils — this will guarantee strong involvement for parents and for the community in the school system and that will indeed result in a greater accountability and a greater quality within the education system. I look forward to the EIC review and how they might recommend that we can even strengthen that.

**The Vice-Chair:** You have another minute to go.

**Mr Grimmett:** The current councils, as I understand it, are called parent councils. The words that you as the minister have been using are "school councils." Can you maybe comment on the difference?

**Hon David Johnson:** There will be parents, I'm sure, on the councils. There will be other representatives from the community on the councils. I guess the word "advisory" has been one that is of concern to some people. The current memorandum governing the councils specifies the role of the councils as of an advisory nature, but the EIC is looking at the whole jurisdiction. I want to leave the EIC with the latitude to come forward with any sort of recommendation around the role. The main thing is to strengthen the involvement of the parents and of the community through these councils and to strengthen the school system.

**The Vice-Chair:** We'll now move to the official opposition, and we have 30 minutes.

**Mr Gerry Phillips (Scarborough-Agincourt):** If I may begin, I want to follow up on yesterday's discussion around the taxation issue and just say that the bill says that the minister may set different tax rates on businesses. What this does is, if the minister can set whatever tax rate he or she wants on any business, it says that he may prescribe different tax rates for different municipalities, for different parts of municipalities, for different classes of property, for different portions of a property's assessment, for different geographic areas, for different parts of a municipality, by decree, behind closed doors, with no public input.

I say this carefully. I don't think there's any tinpot dictator who would give himself or herself these powers to set taxes on businesses that would be different by municipality, within a municipality, different by property class. It is an unfettered right by decree to set property taxes.

For my business community, over half of their property taxes will be set not with any public debate, never an opportunity for them to have any input into it, and it may be that just because they were in a different part of Metro, they'll have to pay a different rate, just because the minister decided this class of property will be taxed at one rate and that class of property at another rate. The minister can do that. As I say, it is unfettered.

Yesterday you said something very interesting to us, that your personal belief is that a matter this fundamental — taxing people, businesses — shouldn't be something done behind closed doors by a select few at a cabinet table with no debate.

Minister, will you at least agree that that part of the bill will be changed and that starting immediately, in 1998, when my business community is assessed — what you told us yesterday is that it will be, I gather, roughly \$3.6 billion of taxes — when you put a rate on them, that will be done with a vote, where the elected people will have an opportunity to approve that before it's implemented? Will you undertake to do that today?

**Hon David Johnson:** What I will undertake is exactly what we've indicated: that the rate will not go up next year; that the rate will be frozen. This will be a great relief

to those very business owners within your community who for years have experienced property tax increase after property tax increase.

**Mr Phillips:** Can I just get a clarification then? Where is that in the bill?

**Hon David Johnson:** That is a commitment this government has made.

**Mr Phillips:** Is it in the bill?

**Hon David Johnson:** That is a commitment that this government has made, just like this government made a commitment to cut provincial property taxes. Was that in the bill? Does the government's commitment to cut provincial property taxes appear in the bill?

1600

**Mr Phillips:** So you will not put it in the bill.

**Hon David Johnson:** The government's promise to reduce property taxes was a promise made by this government and indeed is well under way to being fulfilled. We're halfway —

**Mr Phillips:** Can I just get the commitment you just made? You're telling the business community that across Ontario, if I paid a certain rate in 1997, I will pay the same rate in 1998. Is that the commitment?

**Hon David Johnson:** I'm going to ask Peter Wright to step in and clarify.

**The Vice-Chair:** Peter, could you identify yourself for Hansard.

**Mr Peter Wright:** Peter Wright, director of the education finance branch, Ministry of Education and Training. In the bill the commitment is made in terms of a uniform tax rate for residential property —

**Mr Phillips:** I'm talking business.

**Mr Wright:** Yes, I'll get to that — the government has announced that would be cut in half, as the minister has said. On the business taxes, the Minister of Finance has not yet made a decision in terms of where the business taxes are going to be set.

**Mr Phillips:** Well, what are you talking about?

**Mr Wright:** The general principle, we understand from the Ministry of Finance, is, as the minister has announced, that it will not be a greater source of revenue than it has been in the past.

**Mr Phillips:** So it won't be frozen then.

**Mr Wright:** The point is, we don't know yet.

**Mr Phillips:** Well, the minister said it will be frozen and it won't be frozen. My apologies to the bureaucracy but, Minister, you are not correct on this.

**Mr Wright:** Can I finish the explanation? The difficulty is that the assessment is going to change, and when the assessment changes, the rates will, by the very definition, change in order to come to a common amount of revenue. So it is impossible at this stage, on the commercial-industrial side, to commit to a specific rate.

**Mr Phillips:** Let me just be clear on that. Are you saying the rates will be frozen in 1998 or not frozen?

**Mr Wright:** The government has announced that the residential rates will be frozen.

**Mr Phillips:** We're talking business. Will the business rates be frozen?



**Mr Wright:** I cannot commit the Ministry of Finance to that.

**Mr Phillips:** That's right, because there has been no such commitment made. The minister is incorrect on that and I think the record should be corrected. You wonder why we get so angry. You're asking us to get the taxpayers to raise \$3.6 billion and you don't know the answer to it.

**Mr Wayne Wettlaufer (Kitchener):** My business community hasn't had any response from —

**Mr Phillips:** I'll send that to the chamber.

**The Vice-Chair:** You can yell and scream across, because I've stopped the clock until Peter goes back, so that we're not wasting time. Peter, are you ready?

**Mr Wright:** Yes.

**The Vice-Chair:** Okay, the clock will start.

**Mr Wright:** I'll repeat what I said. The amount of revenue that is going to be raised is going to remain the same. What we don't know is what the rates will be because the assessment is going to change as a result of the new —

**Interjection:** The mill rate will change.

**Mr Wright:** The rate will have to change as a result of the assessment changing in order to get the revenue the same.

**Mrs Lyn McLeod (Fort William):** Then it's fair to say, Peter, that the minister's statement about the rates being frozen is not accurate. It's simple, it rings true, but it's not an accurate reflection of what will happen to rates.

**Mr Wright:** My understanding is that what the minister talked about was the amount of revenue.

**Mrs McLeod:** That's not what he said, though.

**Mr Phillips:** Can I just follow up on my other question? I have interpreted this correctly, I assume, that the minister may, by regulation, set different taxes for different municipalities, within municipalities, for different parts of municipalities; he may set different rates for different classes of property and different portions of a property's assessment. In other words, there is essentially unfettered authority behind closed doors by minister's regulation to have a variety of tax rates on businesses around this province.

**Mr Wright:** What this legislation provides is a power; it does not say that power is exercised. The minister indicated yesterday that it is the intent of the government to move to a legislative process in terms of setting these rates. What is here is options for the government to choose. It doesn't say it will choose any or all of them.

**Mrs McLeod:** The power is unfettered.

**Mr Wright:** The power is there until the government comes to a decision in terms of what it's doing in the longer term.

**Mrs McLeod:** Unfettered and unlimited.

**Mr Wright:** This is not unfettered because they are actually prescribed.

**Mr Phillips:** Minister, yesterday you said something sensible, I think, and that is that this setting of taxes for the people of Ontario should be done in the open and debated by elected people, people who have been selected

by the population and delegated to make that decision. Why in the world will you not today agree that this bill has to be amended so that that decision in 1998 is made by the elected people, not by the minister?

**Hon David Johnson:** I think I said a number of things which were sensible yesterday. We can pick around the edges here, but the reality is that we have said that what will come out of the business community in terms of taxes for 1998 is frozen. Right? What will come out of the residential — first of all, the residential taxation will be cut in half and frozen at that level when it comes down to revenues.

**Mr Phillips:** Is there anywhere in the bill it says that?

**Mr Wright:** The tax dealing with the current half of the tax rate will be frozen.

**Mr Phillips:** The rate, not the revenue.

**Mr Wright:** No, the rate.

**Hon David Johnson:** The tax rate will be frozen at the residential level. The tax revenues will be frozen at the business level.

**Mr Phillips:** The rate will be frozen or the revenue?

**Mr Wright:** The minister is speaking quite properly. What he's saying is that the amount of revenue will be cut in half in the residential, and then the rate that is needed to generate that will be frozen.

**Mr Phillips:** But the revenue will grow.

**Mr Wright:** The revenue may grow if the assessment grows. If the assessment goes down, the revenue goes down.

**Mr Jerry J. Ouellette (Oshawa):** Thank you, Mel Lastman.

**Mr Phillips:** But the mill rates are capped and cannot go up.

**Mr Wright:** The tax rate is frozen.

**Mr Phillips:** Can you just tell him where in the bill that is?

**Hon David Johnson:** Just to finish, the rate is frozen on the residential side and the revenues are frozen on the business side. I think most people in Ontario would say: "Hallelujah. We've been waiting for this for years." They would say that all this stuff going on here in this committee is nonsense.

**Mr Phillips:** If you put that in the bill — and you said yesterday this should be out in the open — then people will say "Hallelujah."

**Hon David Johnson:** The business community has been asking for years, "Do something about the property taxes; they're killing us."

**Mr Phillips:** No tinpot dictator would ask for this power.

**Hon David Johnson:** I think the member from Scarborough would know that the board of trade, a few years ago, put out a document called Killing the Golden Goose. I'll wager you know that document inside out.

**Mr Phillips:** The board of trade just this Monday said, "You better fix this."

**Hon David Johnson:** What was the number one concern they expressed in Killing the Golden Goose? Killing the Golden Goose, by the way, was a concern about the

golden goose being business, and the assessment in Metropolitan Toronto, and the fact that businesses were having a hard time surviving in Metropolitan Toronto because of the immense property taxes. That was the number one concern they expressed in this document: the immense property taxes on education. Education is the most significant component, being over half.

**Mr Phillips:** Why will you not put in the bill that this decision be made by democratically elected people?

**Hon David Johnson:** The end of my answer is, if you really want to know what people are going to say, they are going to say, "Finally a government that's had the nerve to come forward and put a halt to increasing taxes on education."

**Mr Phillips:** I'm sorry, David, but why will you not put in the bill what you said yesterday? Surely to God, every one of us believes fundamentally that this decision has to be made by elected people, not by some cabinet. Why will you not put that in the bill? Just give me a simple answer for that.

**Hon David Johnson:** What I indicated earlier today I'll indicate here again now. The bill provides for the regulation because we believe in the first instance that to ensure that this matter works properly, works smoothly, the regulatory power is needed. It's been there all along to deal with that. Once we're satisfied that the process is properly working —

**Mr Phillips:** Then democracy can come back.

**Hon David Johnson:** — then it's the intention to go to a legislative process. We did not put the provincial income tax cut in any sort of a bill.

**Mr Phillips:** Yes, you did.

**Hon David Johnson:** In the first instance, it was a promise.

**Mr Phillips:** You did put it in a bill.

**Hon David Johnson:** It was a promise and then we executed it.

**Mrs McLeod:** You never did it by regulation; you did it by legislation.

**Mr Phillips:** You put it in a bill. That's incorrect.

**Hon David Johnson:** It was a promise. The people of Ontario said, "Promise us what you're going to do during the election," and we said, "We promise to cut the provincial personal income tax."

**Mrs McLeod:** You did it by legislation, David.

**Mr Phillips:** That's an incorrect statement, David.

**Hon David Johnson:** At that point in time, it wasn't in any bill; it was a promise.

**Mrs McLeod:** Of course it was a bill.

**Hon David Johnson:** It was a promise that was executed and it's a promise that we're living up to. We live up to our promises.

**Mr Phillips:** But you're factually incorrect. You put it in a bill.

**Hon David Johnson:** In the first instance, how could there be a bill? We were in opposition. How can an opposition party — it was a promise.

**Mrs McLeod:** Minister, that's not so. You are the government.

**Hon David Johnson:** It was a promise. It was a commitment that we would do it. This is a commitment that at the appropriate time, the legislative process will take effect.

**Mrs McLeod:** Minister, you are the government now. We know your commitment, we heard your commitment, but you also have a bill, a piece of legislation, and the piece of legislation for the first time in the history of this province gives your Minister of Finance the ability to set taxation through regulation. You have never, nor has any other government, set any kind of taxation without legislation.

Let me ask you what you are worried about. You say you need this. You said you wanted to be able to freeze tax rates, and my colleague has pulled out the inaccuracy of that term, but let's talk about freezing taxes and your statement today in the House that you can only do that by having this power and that's why you need the power during the transition period. What are you worried about? You have a majority government. Are you worried that the members of your caucus — are you ready, Minister, for the question? — are going to force you to bring in increased revenue through taxation, that they won't support you in freezing the taxation that you get from business taxes?

That's not what I would have expected from the Tory back bench. I would have thought they would support you on a piece of legislation that froze the dollars you are receiving from business tax across the province. We'll debate the rate issue later. Why are you worried about bringing in a tax bill when you've got a majority government that presumably would support your desire to fulfil your commitment to freeze taxes?

1610

**Hon David Johnson:** The worry in our caucus is that this is an issue that might not have been tackled save and except that this government made a commitment to tackle it —

**Mrs McLeod:** No, Minister, you've got the government.

**Hon David Johnson:** — and to freeze and ensure that property taxes do not carry on increasing as they've increased over the past 10 or a dozen years.

**Mrs McLeod:** But, Minister, that's not my question.

**Hon David Johnson:** That's the only worry in the caucus.

**Mrs McLeod:** My question is why you —

**Hon David Johnson:** The caucus is concerned for the taxpayer.

**Mrs McLeod:** No, Minister — of course they are.

**Hon David Johnson:** The caucus wants to see the taxes frozen.

**Mrs McLeod:** So they would support your legislation.

**Hon David Johnson:** They don't want to continue to see the rates escalating.

**Mrs McLeod:** Right. So you don't need to give that power to freeze the taxes, if that's your commitment, exclusively to the Minister of Finance. You could trust your caucus to support you on that in a piece of legisla-



tion. Why do you not think you could pass a tax bill through the House that achieved your commitment?

**Hon David Johnson:** I've indicated, and I can only say once again, that this government and this caucus share the concerns of the taxpayer that over the past many years taxes associated with the education system have gone up and up, that taxpayers all across this province have registered concern year after year. This government has taken an approach to tackle that issue —

**Mrs McLeod:** That's not the issue, Minister.

**Hon David Johnson:** — and to freeze through various means the amounts of money involved so the taxpayers don't get hit any more. The approach that's used for the first year is through regulation in the first instance. I'm confident that the legislative process will be in effect in the future, perhaps even as early as next year, but in the first instance the Ministry of Finance felt that the regulatory process was the appropriate way to go. That will achieve results that I think will be extremely satisfactory to the taxpayers of the province.

**Mrs McLeod:** Maybe I should ask your colleagues on the other side if they could —

**The Vice-Chair:** Mr Phillips.

**Mr Phillips:** I can only assume from your answers that the Minister of Finance wants to give himself the power — he may not exercise it in every case — to set different rates in different municipalities, to set different rates in different parts of municipalities, to set different rates on different subclasses of business property, to set different rates on different portions of a property's assessment, to set different rates in different geographic areas and to set different rates in different parts of a municipality; that the reason they're there is that he wants to have the authority to be able to do that. He hasn't decided which of those he is going to do, but he wants the authority to do all those things. He hasn't ruled any of those things out yet. Do you really think we, the Legislature, should be giving any Minister of Finance that degree of latitude to set these broad, sweeping levels of taxation without any reference to the Legislature?

**Hon David Johnson:** Peter, do you want to say anything from the technical side?

**Mr Wright:** From a technical standpoint, these were options which were provided to the Minister of Finance in order to set taxes. My concern right now is that we're almost dealing with Bill 160 here and I thought that was dealt with through another forum.

**Mr Wildman:** It's still before the Legislature.

**Mr Wright:** But in terms of the options, the Minister of Finance is really the one who should be talking to these issues. This section is quite specific that it is the Minister of Finance who is setting these rates. It is in this legislation because the Ministry of Education act has traditionally —

**Mr Phillips:** Aren't we talking about education here? Isn't this where half of the education funding is coming from? Where the heck else can we ask these questions? Isn't this fundamental to education? This is what education is all about.

**Mr Wright:** This is one of the sources of funding education, yes.

**Mrs McLeod:** Let me ask the minister and Mr Wright — because I think my colleague is absolutely right and I believe there is one reason, and one reason only, why the government insists on having this regulatory power and cannot trust the Legislature even with a large majority to pass a tax bill. It is because they know that when they start looking at differential rates in different communities, they are going to have problems with some of their own members when they see what the impact of the business tax rate will be. With that in mind, I am going to ask whether or not you have any figures yet from the Ministry of Finance on your different alternatives for setting the business tax rate for education that show impact studies, community by community, of the alternatives.

**Mr Wright:** I do not have such figures.

**Mrs McLeod:** The clock is ticking. We are six weeks away. Does the Ministry of Finance have those impact studies community by community?

**Mr Wright:** I honestly can't answer that question. I don't know.

**Mrs McLeod:** Is it possible to get an answer? I think it's a legitimate question.

**Mr Wright:** I could try reaching finance. I have not seen such numbers.

**Mrs McLeod:** I would appreciate any information we can get on impact studies of the alternatives that are being considered by the Ministry of Finance for differential tax rates on businesses. I'd like to move to some questions. I'm looking for commitments in some other areas and I know that our clock is ticking as well. With that in mind, Minister, I'm going to fire a series of fairly rapid questions and I know that Mr Wright has these figures at his fingertips, so I'm basically going to look for confirmation of figures that I believe are accurate. I don't want to take a lot of time on them because I want to get to the minister's commitment.

On page 27 of the estimates book it looks as though there is an interesting change, a positive change in transfer payments from 1996-97 to 1997-98. I want to make it very clear that the \$1-billion increase in funding on transfer payments is accounted for, more than accounted for, by the change in the Who Does What and reality. In fact, the Who Does What changes and the changes in residential property tax account for \$1.4 billion, which is \$300 million in excess of the change you are showing. That, I believe, if I can direct the question to Mr Wright, is the \$300 million in additional cuts in transfer payments in this year's budget. Is that correct?

**Mr Wright:** Yes.

**Mrs McLeod:** So the total cut now, over that period, annualized, is a \$533-million cut? Can I once and for all have that confirmation?

**Mr Wright:** There is a \$533-million reduction showing in the estimates. At the moment the government has not made all of that reduction. The reduction is roughly a shade over \$400 million at the moment.



**Mrs McLeod:** And your estimates allow for it to be \$533 million annually.

**Mr Wright:** Allow for it, but in effect the government hasn't done it.

**Mrs McLeod:** Thank you. It is page 36 I want to deal with, which is the general legislative grants, and again there is a figure that shows the grant here as being somewhere in the vicinity of \$5 billion. What I want to establish here, leading toward the commitment I'm looking for from the minister, is the total amount of spending by school boards on education. Based on figures we've had previously from the ministry, I believe these are accurate reflections of 1997-98: \$3.9 billion in operating grants — because I know the \$5.2 billion gets us into some of the differences — \$3.2 billion in commercial-industrial assessment and \$5.4 billion in residential tax; and that, exclusive of capital and pensions, would be \$12.5 billion, which would be the spending on elementary and secondary school education by school boards. Is that accurate?

**Mr Wright:** In terms of operating spending?

**Mrs McLeod:** Yes.

**Mr Wright:** I have \$12.3 billion, but with \$12.5 we're certainly in the same ballpark figure.

**Mrs McLeod:** All right. Then the guarantee I'm looking for, Minister, because we are moving into a period of time where you are going to be funding 100% of educational costs, and I want it clear, beyond the spending on elementary and secondary education by school boards now, that there will be no decrease in that figure of \$12.5 billion. That's exclusive of capital. That's exclusive of teacher pensions. That is money now spent through grants and taxation on elementary and secondary education. Will that figure remain the same when you take over 100%?

1620

**Hon David Johnson:** First of all, the \$12.5-billion figure is one number, but the actual total spending —

**Mrs McLeod:** Minister, I know the total spending and I'll get into that.

**Hon David Johnson:** — that goes into the classroom, including all sources, is over \$14 billion. That includes all compensation items. Does that include the capital as well? Yes.

**Mrs McLeod:** Minister, that's why I presented the figures.

**Hon David Johnson:** So that includes it. You have your figures, but the real spending —

**Mrs McLeod:** No, these are Mr Wright's figures.

**Hon David Johnson:** Yes, but Mr Wright's figures also, in terms of 1997, in terms of the real total spending that has to come out of the taxpayers' pocket, out of taxpayers' dollars, either local or provincial, would be about \$14.4 billion, so we should —

**Mrs McLeod:** David, I'm asking you a specific question.

**Hon David Johnson:** So we should understand that.

**Mrs McLeod:** I understand that. I've got the figures on capital.

**Hon David Johnson:** The specific question has to be in the context of the real number, and the real number is \$14.4 billion.

**Mrs McLeod:** Believe me, if I get time I will ask you about your capital spending. I am asking you about the operating spending on students in elementary and secondary school. You won't make the commitment. I knew you wouldn't, but I want it firmly established that the current figure is \$12.5 billion and anything less than that is going to be a cut.

That takes me to my next question, which is where the Deputy Minister of Education was to find \$667 million in the next round. You made a statement in the House today that you felt it would be possible, for the taxpayers' sake, to find a figure of that amount by simply looking at the waste. I would ask you to tell me exactly where you see the waste in that operating figure and where the \$667 million can be found for next year's estimates.

**Hon David Johnson:** I indicated in the House at one point today that it was deemed that may be an achievable number, that out of a total spending of \$14.4 billion, it was thought at one time that a figure of \$670 million might be achievable over a period of time.

**Mrs McLeod:** Can you give me one example?

**Hon David Johnson:** One example is that if the school boards are amalgamated and there are a number of amalgamations of school boards which —

**Mr Wildman:** That's \$150 million.

**Hon David Johnson:** The member from the third party says \$150 million. If that's \$150 million, if he says so, then — or maybe more.

**Mr Wildman:** That's what Mr Snobelen said.

**Hon David Johnson:** Maybe more, maybe less.

**Mrs McLeod:** Please, Mr Chairman, this is my time, not the third party's time.

**Hon David Johnson:** But you're asking me for one. There is it is.

**Mrs McLeod:** All right. That leads me to the next series of questions I have. It's hard to know where to start with the few minutes we have left.

Do you have as yet an estimate of the savings you expect in the 1998-99 school year from the prep time changes you made in Bill 160 yesterday?

**Hon David Johnson:** In terms of instructional time, because the government has mandated 1,250 minutes per week at the secondary level and 1,300 minutes at the primary level, my guess is that when school boards look at that at the primary level, they will reckon that very few, if any, changes have to take place as a result of that.

When they look at the 1,250 minutes at the secondary level, boards will have to make their individual decisions. Obviously it's up to the boards to deal with it. What they will determine in terms of how many teachers they will need to fit within that context will be up to them. I really can't speculate on how many teachers may or may not be affected.

**Mrs McLeod:** You have not taken that into account, nor will you be, in your funding formula, so that's not one

of the areas in which there will be accountability from the minister, I assume.

Adult education savings, and I particularly want to address the issue of Metropolitan Toronto: In your budget cuts of \$533 million, which obviously did not affect Metropolitan Toronto or Ottawa, you anticipated that some \$150 million of those would be savings through adult education cuts in 1997 because the funding for adult education was reduced. How much would you expect to be saving in adult education in Metropolitan Toronto and Ottawa if you're funding them at the same level you fund adult education outside of those two cities?

**Hon David Johnson:** I'd ask the acting deputy to respond.

**Mr Wright:** I don't think we have a number at the moment. We could get back to the member with it.

**Mrs McLeod:** I'd appreciate that figure because I know it's of great concern to adult education students in both Metro Toronto and Ottawa.

Another area, and you may not again have the answer: Junior kindergarten savings out of that \$533 million were anticipated to be, I believe, also \$145 million in 1997. How much of that did you save in these estimates?

**Mr Wright:** Essentially, the total of those savings, as I've indicated, was about \$410 million that we have achieved so far.

**Mrs McLeod:** In junior kindergarten savings?

**Mr Wright:** Of the total \$533, we had built in about \$145 million for JK, so if you prorate down the ratio it would about four fifths of it that we had saved out of JK.

**Mrs McLeod:** Is that actual savings at this point or is that anticipated?

**Mr Wright:** It is the amount by which the grants have been reduced.

**Mrs McLeod:** Because you still have to pay grants if boards offer junior kindergarten; your savings are greater if they've cancelled it.

**Mr Wright:** Again, if you go back into the issue of have the expenditures actually come down, the answer is that the expenditures have not come down by that amount. The reduction in grants were offset by increases in property tax, so board spending has not come down by that amount.

**Mrs McLeod:** I guess when you're looking for your grant —

**Hon David Johnson:** In fact, total board spending is up. The total spending is up.

**Mrs McLeod:** That's not the question. I'm sorry, the question was whether or not you had achieved the \$145 million that you anticipated saving in provincial grants to junior kindergarten.

**Mr Wright:** We have achieved about four fifths of that.

**Mrs McLeod:** About four fifths of the \$145 million?

**Mr Wright:** Yes.

**Mrs McLeod:** Okay, thank you. I wanted to ask whether you have any figures —

**The Vice-Chair:** Last question, Mrs McLeod.

**Mrs McLeod:** Oh, I have to choose. I am very interested in knowing what the JK cuts will be in Metro Toronto, but instead of that I'm going to ask about the harmonization costs.

The example you used, Minister, of where you expected to find some waste was in the amalgamation of school boards. I know the figure that you've used, that the study of your predecessor used, suggested \$150 million. Public school boards came to our committee and suggested the actual costs, not the savings but the costs, of harmonization would be \$300 million to \$500 million.

In previous sessions there was some question about whether or not there would be any accommodation, any recognition of the harmonization costs in this year's estimates. My question is, how much of the \$300 million to \$500 million in increased costs for school board amalgamations have you included in this year's estimates?

**Hon David Johnson:** Obviously the purpose of amalgamating the school boards — one of the purposes, at any rate; there may be other purposes that can be achieved — is to recognize efficiency. I don't have any doubt that as a result of school boards amalgamating, there will indeed be efficiencies. There will be administrative reductions.

The government remains committed to directing the funds into the classroom, but when school boards amalgamate there will be reductions in administration and those amalgamations will result in reductions.

**Mrs McLeod:** So there is no money for the increased costs of harmonization?

**Hon David Johnson:** There was. It is expected that there will be reductions.

**The Vice-Chair:** Thank you, Minister. We will now turn to the third party. Mr Wildman, you have 30 minutes.

**Mr Wildman:** I will be raising some questions along the lines of my friend from Fort William in a few moments, but I want to return to the questions related to Bill 160. I will preface my remarks and questions with the observation that in this particular case the government of Ontario doesn't represent the majority view in the province with regard to quality education and Bill 160. It may have had majority support initially when it got into the changes it was proposing. That in itself is questionable. But now the indications are that the vast majority of parents, teachers, students and taxpayers are very concerned about the government's position and are opposed to it.

With that in mind, let's turn to the questions related to the property tax and what the changes are under Bill 160 that the government is proposing with regard to property taxation. I listened very carefully to the comments of the minister a few moments ago when he said that the Conservative Party has a commitment to freeze taxes on property.

I would just observe that I suppose that's worth about as much as their commitment not to affect classroom education with their cuts. We all know that classroom education, special ed, many, many programs have been adversely affected and have been cut back because of the cuts they've made up to now. If that's just a commitment of the same sort, then we're headed for serious trouble.



The other thing I'd like to observe, and some of my colleagues who have been in this place around the same length of time I have would I think agree with me: When a government gives itself power through legislation, it's because the government intends to use the power. They don't idly and frivolously change legislation and change the way power is exercised or can be exercised in legislation unless the government intends to use it. To say that yes, Bill 160 gives the government regulatory power over property tax, but it doesn't necessarily mean the government will use it, I think is in itself a little frivolous. If the government didn't intend to use its power, it wouldn't put it in legislation in the first place.

1630

The legislation provides for regulation, the Minister of Finance being able to set property tax rates. The commitment, the minister says, is that the government will freeze property tax for educational purposes, keeping in mind this is the first time a provincial government has ever intervened on property tax in the history of this province. The minister says that the government intends to freeze it for up to two years and then perhaps move to a legislative process as early as next year.

I guess what we're to understand by this is that the government intends to suspend democracy for a while, maybe a year or two, during which time the Minister of Finance will be able to exercise arbitrary power over taxation on property for educational purposes. As long as he can get his cabinet colleagues by order in council to agree with him, he can do whatever the hell he likes with regard to property tax, without reference to the Legislature, without elected representatives of the people of this province having any say over it, approval or rejection.

It is possible that the Minister of Finance may use that power to freeze property taxes, as the minister has suggested he might do. My question is very simple: If that is the commitment and that is the desire of the government, why doesn't the government bring in legislation now — not wait for a year or two — freezing property taxes for educational purposes, and have it debated in the Legislature, debated by representatives of the people of this province, and passed? The government has the majority in the House.

**Hon David Johnson:** First of all, there was a comment made that this was the first time the government has ever intervened on the property tax. I suspect that's true, but there is a little bit of history there that I'm sure the House leader for the NDP will remember. The government had a different formula in terms of the transfer of property tax and provincial tax to clarify the municipal-provincial situation, but the Association of Municipalities of Ontario and many of its representatives felt it was inappropriate and came forward with the proposal essentially as it states today, that half the education tax come off the residential property tax and that other transfers be made accordingly at the municipal level.

What you see today in terms of the sharing part of it is largely at the recommendation of a committee of AMO. It

was not the government's first approach to this whole matter.

I can only reiterate on his general question that this government has a history of not putting taxes up; this government has a history, albeit since June 1995, of living up to its commitment in terms of taxes, in terms of reducing the provincial tax — in terms of looking at the WCB payment and the health payments to small businesses are two other examples I can give you of commitments that were made and commitments that were kept.

The commitment we're giving in this case is that on the residential side there will be the reduction. The taxes will be frozen, as outlined for next year, on the business side. The Ministry of Finance feels this is best accomplished through regulations at this point in time in the first year because it is an important change.

**Mr Wildman:** The Minister of Finance I'm sure finds it convenient to do it this way.

**Hon David Johnson:** As time goes on and as the system is in place, then the legislative process will be involved.

**Mr Wildman:** I'm sure the bureaucrats in the Ministry of Finance and Mr Eves would consider it far more convenient to do it this way. As my colleague has said, it's kind of messy to have to actually go to the people and talk to them and ask them what they think of something, and actually have to persuade members of the Legislature to support it and actually vote for it. It's far easier to just sit down in your boardroom and say, "What will we set the rate at? Let's look at some numbers here and set the rate and say, 'That's it.'" It's a lot more convenient.

I didn't realize Mr Eves wanted to have this kind of arbitrary power, but obviously, according to Mr Johnson's explanation — that's the only explanation he has — Mr Eves and the bureaucrats in his ministry think this is a good way to do it.

This reminds me of Yes, Minister. Sir Humphrey is working for Ernie Eves: "We've found an easy way of doing things here." Why bother having to deal with the legislative process?

**Mr Phillips:** The public don't have to waste time getting involved in it, either.

**Mr Wildman:** Full speed ahead; all aboard.

I'd also like to clarify again that the assessment will change because of the changes that have been made in that area, the reassessment that's going on. So the commitment to a freeze does not necessarily mean a freeze in an individual's taxes, because the assessment will change.

**Mr Wright:** If an individual's assessment goes up and the tax rate remains the same — we're talking residential.

**Mr Wildman:** Yes.

**Mr Wright:** Then the tax will go up because the assessment has gone up.

**Mr Wildman:** Yes, that's right. So this is essentially the Mel Lastman commitment.

**Hon David Johnson:** If the assessment goes down —

**Mr Wildman:** Yes, it's possible the assessment could go down, but in essence when you say a freeze, keep in



mind that a very significant number of people in this area particularly will see an increase in taxation.

**Mr Wright:** It depends who you define by "this area" —

**Mr Wildman:** Toronto.

**Mr Wright:** — but what you have to realize is that in the current education finance system, the one we're working on right now, there are things called equalization factors built in which are an attempt to compensate or recognize market value in this area even though the actual local assessment base doesn't. So the total amount of tax that is levied or assigned to this area attempts to incorporate an estimate of market value. It's not as though they're going from the 1940 rate to the current.

**Mr Wildman:** Yes, but we also know that Toronto isn't dependent now on any grants. The boards in Toronto and Ottawa have been raising all their own revenue for expenditures through property tax themselves, so the equalization factors you've just mentioned don't really make any difference to them.

**Mr Wright:** No, but the comparison you were making was the change in tax they will have to bear, and equalization factors have made it as a proxy of market value for Metro and Ottawa now, so going to the new fair market value system is not a change from the 1940s level to the fair market value.

**Mr Wildman:** I understand what you're saying, and I would say this is a proxy of a commitment.

I'd like to deal with the reinvestment that has been advised by the Education Improvement Commission. They've said that in terms of restructuring education and the amalgamation of boards, all savings should be reinvested in education. That is one of the suggestions of the EIC that this government has refused to accept, apparently.

1640

We have Veronica Lacey's draft, I guess it's called, the performance contract where it says she is to save \$667 million in 1998-99 from the secondary and elementary education systems. The minister, in the exchange with my friend, indicated that one of the areas was the amalgamation of school boards. I pointed out that his predecessor said that would be \$150 million in savings. That leaves us with \$520 million to find. As has been pointed out, the boards have estimated there will be transition costs of \$300 million for harmonization.

**Mr Richard Patten (Ottawa Centre):** It's \$350 million to \$500 million.

**Mr Wildman:** I was trying to be conservative here, as it were. Let's say \$350 million; I won't take the higher number of \$500 million. That takes us up to \$970 million that has to be found somewhere if Veronica Lacey is to meet her commitment.

Besides the amalgamations, which are actually going to cost more than they save, according to the finance figures of the various boards, at least in the initial transition period, where are we going to get this money?

**Hon David Johnson:** I can only say once again that at one point this was a number that was thought to be

achievable, but what is actually budgeted year by year, as the House leader of the third party knows, being a former cabinet minister himself, is that when he was a cabinet minister, if I were to ask him in November of one year what his precise budget would be for his ministry the following year, he would say: "Hey, wait a second. Let me go through the budget process. Let me have the opportunity to go through the estimates, to look at each component in my budget," which takes place largely over the January-February time frame, "and then I can give you a better idea." That's exactly what I'm going to say.

In the Ministry of Education we are committed to spending what we have to spend to ensure the kind of quality improvements that we're introducing before Bill 160, through Bill 160, after Bill 160: the curriculum changes, the class sizes etc. There will have to be the moneys put in there to ensure that the quality program is implemented. That's precisely what will happen this year, as it's happened in previous years.

**Mr Wildman:** Except that in this case you're talking about transfers to other agencies. The boards are going to be stuck with trying to find this money, and the way they're going to be stuck with it is through your funding formula and the rate you set for taxation. The problem the boards have right now in November, going into the beginning of January when the new boards are supposed to be established, and that the public has as we consider Bill 160 is that nobody knows yet what the funding formula is.

If the Minister of Finance sets a tax rate at a certain level, and this ministry substantially cuts, finds its savings, the \$970 million or whatever, by lowering the grants, mark my words, this money will have to be found, but it will be found by cutting programs and cutting the number of teachers. That's where it's going to be found. After all, 70% of the budget is salaries. Where are you going to find it? It's got to come from salaries. The way you get rid of salaries is by lowering the number of staff, and if you lower the number of staff, you're going to lower the number of programs.

**Hon David Johnson:** I'm not going to speculate in terms of what the precise funding will be for next year. I'm not sure what merit there would be in that. But the member is correct that the funding formula will be created later this year and will guide boards in terms of what they have to spend.

There is a stub year involved, a stub year going until September of next year. There has been stable funding guaranteed for that period of time. Then the formula will click in starting September of next year. Bear in mind that there's a period of time — we're not talking about the funding formula registering on January 1. Boards will have that funding formula about the end of the year and they will have a period of time to look at it and adjust. I'm sure drafts of various versions of the formula have been out for discussion, indicating that there is an accommodation grant, a per pupil grant, special purpose grants, recognizing all the needs of the students; it will be fair, equitable, and will treat students the same all across the province. There will be recognition of different circum-

stances: urban boards versus rural boards etc, transportation needs, that sort of thing. We think that at the end of the day it will be a fair formula.

**Mr Wildman:** The minister mentioned the stub year. We now have the letter from representatives of the education finance staff of various boards in the province saying that the way you're doing the formula, top down, is not going to work, and there's already going to be a significant shortfall. What is it, \$200 million? They don't say the number in the letter.

**Hon David Johnson:** There has been a process that involved various business officials from the boards who were consulted during the summer months, and there were other consultations on the stub year — I'm just talking about the stub year now — and the stable funding that has been guaranteed for next year. I'm sure the school officials and others were consulted during the summer. There has been a consultation process going on through the fall. Ministry officials are working with this. There has been a guarantee of stable funding, with no cuts in the grants or the taxes. We welcome this letter. I'm sure the ministry officials will be following up on it. All I can say is that at the end of the day we think it will be a fair situation. When you have the number of boards we do — we formerly had 129 and we now have 72, I think it is, across the province — will each and every one of them be 100% satisfied? That would be asking quite a bit.

**Mr Wildman:** I suggest that most of them are not going to be satisfied. Toronto and Ottawa in particular are going to see an enormous number of cuts.

I would like to turn to something else on this page, the performance contract draft.

**The Vice-Chair:** You have 10 minutes.

**Mr Wildman:** Thank you. I'll just place a number of questions on this other matter and hopefully the minister will be able to respond.

A little farther down from where it says elementary and secondary savings of \$667 million, it says under "Training" that the target is \$10 million in savings in 1997-98. We're talking about apprenticeship and training here. You're going to cut \$10 million; that's a third of the provincial funding of \$33 million. When you combine that \$10 million with the federal cuts, that's \$40 million out of a total expenditure now, federal and provincial, of \$100 million, so you're talking about a total 40% cut over a number of years. This is at a time when we supposedly are trying to improve education and training in the province and improve the apprenticeship-type programs.

What has the government also done? The government has removed the minimum education level requirement for apprentices and — this is really odd — it has removed the minimum age requirement for apprentices, which used to be 16, as I recall, and it has removed the minimum wage requirement for apprentices. It also suggests that there could be something called a self-employed apprentice.

I always thought an apprentice was supposed to learn from the journeymen and the tradesmen; that was what an apprenticeship was about. You worked with experienced people who had their papers, you learned from them, then

you took your tests and made your qualifications and became a journeyman, and so on. How on earth does a self-employed apprentice, if he's employing himself, learn from others? It seems rather odd to me.

I'd like to know if the minister can confirm and commit, since he's talking about commitments, that there will be no cuts to apprenticeship, that they will not cut \$10 million as is set out in this contract and in the leaked document that came out in July; that they will not make these changes and these cuts and that the government will in fact set up a proper consultation with representatives of industry, of labour, a public consultation process to make the proper changes in apprenticeship to improve it, not cut it; and finally, the commitment that the minister will not require apprentices to pay tuition. That's also proposed in this document.

1650

**Hon David Johnson:** There were a lot of questions there, but the member referred to the federal reduction to training. I guess he was referring to the 1996 decision. At that point some \$40 million was being put through the college system, where training was being purchased; they've reduced that to \$30 million this year, next year to \$25 million, and in 1999 it will be zero.

**Mr Wildman:** If I were in a federal committee in the House of Commons I'd be raising that, but I'd like to deal with your commitment to cut \$10 million.

**Hon David Johnson:** Okay, but you referenced that, and I think we should have on the record that that's what's happening. I'm going to ask the acting deputy minister to respond.

**Ms Joan Andrew:** The budget for the training division in the ministry this year is approximately \$260 million, so the reference to the \$10 million is on a budget of about \$260 million, just as a point of clarification. It's not in reference to apprenticeship in particular.

If I could go through the details of the proposed apprenticeship reform, the government issued a consultation document last December, a very public consultation document, distributed about 2,000 copies, held consultations with business and labour until about March of this year, quite publicly, invited all co-chairs of the provincial advisory committees to the meetings and met with key members. We have now subsequently shared the results of those consultations back to all the stakeholders.

On the specific reference to why we have taken the age and minimum wage provisions out of the Trades Qualification and Apprenticeship Act, it's because since that act was written apprentices have been covered by the Employment Standards Act. When the original Trades Qualification and Apprenticeship Act was written, apprentices were exempt from the Employment Standards Act. They're now covered by that act; there's no reason to cover those provisions twice.

**Mr Wildman:** And you have to be 16 years old?

**Ms Andrew:** One of the things we heard in the consultation was that the educational requirements for entry to trades varies now, and there was a desire that each provincial advisory committee or trade-specific committee



would determine the educational requirements for entry to their trade.

**Mr Wildman:** So they won't need grade 10?

**Ms Andrew:** I think most people will probably need more than grade 10. It has been taken out of the legislation so it can be —

**Mr Wildman:** Increased?

**Ms Andrew:** — decided by each trade-specific advisory committee what the specific educational requirement for that trade would be.

On the issue of self-employment, the input from several people in the construction industry is that self-employment is the way a lot of people in the construction industry now work. It's a recognition of a changing labour market in the 1990s.

**Mr Wildman:** I doubt that that was advice from the building trades council.

**Ms Andrew:** It was from the construction industry, that people move from job to job and don't always stay working for one employer and they're identified as self-employed, so the Trades Qualification and Apprenticeship Act had to reflect the labour market of the 1990s rather than the 1960s.

**Mr Wildman:** The final one: On page 3 of this document we leaked, it says, "Apprenticeship: implement revenue-generating initiatives and pilot tuition projects in colleges." And then, "\$4.5 million in additional fees achieved by requiring the client to pay a more appropriate share of the cost of service" — in other words, tuition fees for apprentices. Is that what you intend to do? You're going to charge apprentices tuition fees?

**Hon David Johnson:** There has been no decision made yet of that nature, but I did indicate the problem we're facing in terms of the federal government's withdrawal of some \$40 million over a period of three or four years.

**Mr Wildman:** And you're prepared to commit that you won't take \$10 million out?

**Hon David Johnson:** Look, the apprenticeship program is being looked at and revised. I'm not going to make any promises other than that we're looking at the whole apprentice system to make it up-to-date. The last update of the apprenticeship program, as I understand it, was in 1964.

**Interjection:** The original legislation.

**Ms Andrew:** The original legislation was 1935; the last update for the legislation was 1964.

**Hon David Johnson:** So over a period of 30-odd years, one would expect that the situation has changed considerably. There are various options being looked at. It's only a statement of fact that in other post-secondary situations there are fees involved. Whether there will be here or not, I don't know — we'll have to look at it — but for sure the apprenticeship system is long overdue to be updated.

**The Vice-Chair:** Mr Wildman, you have a minute and a half left, if you have a short question.

**Mr Wildman:** I didn't know I had any time left, so thank you.

Will you commit to a public process before you finalize any decisions with regard to these changes, that there will be a round table type of approach involving labour, industry and academia to ensure that any changes you propose to training and apprenticeship will not be an attempt to simply obtain more money from the clients, as they're referred to, and to cut the provincial commitment in terms of funding?

**Hon David Johnson:** In my understanding of the situation, the prime objective is to look at a system that for some 30 years hasn't been updated, and the reality is that it's probably well out of date. That's the prime objective, and legislative changes are in all likelihood required for what we need to achieve. As a result, yes, there would very much be a public process to consider those legislative changes.

**The Vice-Chair:** We now move to the government side. You have 30 minutes.

**Mr Wettlauffer:** Minister, I was pleasantly surprised to hear that the finance critic of the Liberal Party, the deputy leader of their party, was so concerned about taxes for his business community. I'm wondering what has caused this transformation, because it seems to me that it was his government that brought in a tax system that greatly affected the business community in my riding, in Kitchener. I was in business at that time and saw my taxes increase fairly dramatically. I also saw over the course of the last 10 years that there was less accountability to the business community from the school boards than we thought there should be. In fact, quite recently the Chamber of Commerce of Kitchener-Waterloo was represented on the Roy Green show, a syndicated radio program, and one of the chamber of commerce representatives complained that the school boards had not been accountable to them for many, many years.

That's just a comment. I do have a question, relating to the capping of class sizes. Over the course of the last five or six weeks, I've had a number of teachers and teacher union representatives come into the office and complain about the class size, initially because what they saw was the possibility of class sizes increasing under Bill 160, until we agreed to make the amendment to put right in the bill what we would consider a permissible average cap for elementary and secondary.

I wonder if you could give some information to clarify it that we could use in our ridings, what the reasoning was for capping it at 22 for elementary and 25 for secondary. It's my understanding that class sizes have been negotiated upwards each year for about the last five years. Could you fill us in, please?

1700

**Hon David Johnson:** What has been happening in the class sizes — for example, take the elementary system and take 1991 as an example of a start year. The class size at the elementary level was 23.2 across the province. A year later it was 23.4; it had gone up two tenths. A year later it was 23.7 — up again. A year later it was 24.3 — up again. A year later we're up to 1995 and it was 24.6, and



last year it went up to 24.9. Each and every year since 1991, it's gone up and up and up.

We have actually seen boards and the unions, as part of negotiation, make decisions through the negotiation process which have resulted in higher class sizes. Just as one example, in very recent years there was a resolution — I don't have it, unfortunately, at present; maybe somebody can dig it up for me — from the Waterloo county board, close to your neck of the woods, which resulted in higher class sizes. We have a copy of the motion that was passed in that regard.

The average class size across Ontario, as calculated today, at the elementary level is 25 and at the secondary level 22. The position of the Ministry of Education, I believe, and government members and the caucus, is that the average class size should not keep increasing, that people are concerned. People rightfully point out that in many instances the average means nothing, because their child may be in a class of 30, 35 or even more, but you have to start somewhere. We said we did not want to see the average class sizes continuing to increase.

I'm not so sure there are any absolutely, totally definitive studies on what class size means to quality, but it's hard to find anybody who doesn't feel that this is a component of quality, that if a child is in a class with a lower number of students there is a higher quality associated with the education program because of that very fact.

This is one of the quality aspects of Bill 160, to establish the average class size per board. This is based on a board basis, even though the calculation of 22 and 25 is based across Ontario. If this bill passes — we don't prejudge the House — it will establish it at a board level, which gives the board some flexibility to deal with particular circumstances. But on the whole, they have to ensure that their class sizes do not go above those amounts; if they are above, they have to bring them down, hopefully as soon as possible. If there are problems doing that overnight, there's some discretion to allow them a little time to do that, but eventually they do have to bring them down.

That not only registers a fairness but there's a certain equity in that across Ontario. If some boards in the past have not had the resources or whatever to deal with the situation and consequently have had larger classes, that matter will be resolved through the fair funding formula; they will have a fair amount of resources now, and consequently their class size should be brought down.

**Mr Wettlaufer:** Your predecessor and former minister, John Snobelen, came to my riding and visited an inner-city school with me, one that had a fairly high ESL population. We have a number of other schools in our area with similarly high ESL populations. Depending on the school, depending on the area of the city, there could be a greater need for smaller classes than in other areas of the city, because some ethnic populations have greater difficulty learning English or have greater difficulty grasping concepts because of a greater difficulty with the English language; ie, Germans seem to have a little easier grasp of English or perhaps some of the Slavic peoples have an

easier grasp of the English language. I'm not saying they definitely do; I'm just saying there's a possibility.

I'm just wondering if the boards will be able to take that into consideration when they are setting the class sizes. For instance, in one inner-city school they might have a class size of, say, six students to one teacher and in another school they might have 20 students to one teacher. Will the boards be able to use those criteria?

**Hon David Johnson:** Maybe you're getting back to the funding formula. The funding formula, of course, has not been totally established. We're working on it. There has been a lot of consultation over a long period of time. Indeed, my understanding is that the consultation around the funding formula started with the previous government, back in 1995.

**Mr Wildman:** Actually, before that.

**Hon David Johnson:** Maybe. Did it go back to the Liberal time? At any rate, the most recent consultations started in the spring of 1995 and have carried on. The structure, as it has been worked today, which is not completely final, shows that there is money for accommodation, which would pay for the cost of heating, lighting, maintaining the physical structure; that's one component. There's another component that deals with a grant for the core education of each student, so it's basically so much money for each student.

Then there's another grant called the special purpose grant, which will be part of the funding formula. It will allow for a language grant to support English, French and native second-language programs. There would probably be a geographic component. All of this isn't totally finalized yet, but these are the kinds of components we're looking at: a learning opportunities grant, perhaps, as a portion of it, to support programs designed for children at greater risk; an adult continuing education proportion; a transportation proportion. I'm sure there will be other aspects of it. I think there will be recognition in there of different needs of different boards.

I don't know if the acting deputy minister wants to say anything more specific about ESL.

**Ms Andrew:** Boards will have the right to set different class sizes as long as the average does not exceed the average in the legislation. The only exemption to that is that specific special education classes will be exempt from that average. Individual boards or principals could set different class sizes as long as the average was maintained.

**Mr Wettlaufer:** That was the answer I was looking for, that the boards have the flexibility to make the decisions on their own.

**Mr Ed Doyle (Wentworth East):** Minister, I have quite a few questions directly from people who've come into my constituency office in the past three weeks, and I would like to ask you some of these. I know there has been a great deal of negotiation with the teachers' unions over the past few weeks since this whole thing started. I wonder if you could tell us if there have been concessions made to the teachers' unions throughout these negotiations in the past few weeks.

1710

**Hon David Johnson:** The discussions with the teachers' unions actually go way back before my time. The previous minister had discussions; I'm not sure I could characterize them as negotiations. Negotiations are normally associated with bargaining on contract. That obviously was not the situation here; there was no contract.

**Mr Doyle:** Though people seem to have the idea that this was a contract.

**Hon David Johnson:** Well, I don't know. These are certainly discussions and consultations, and we value the advice very much. The previous minister was initially involved in this, of course, going way back. At one point, they asked for no limit on the right to strike. That was granted, obviously. As we see through the bill, there is no limitation on the right to strike. The previous minister made that commitment. That was granted.

More recently, they wanted recognition of the provincial union organizations for collective bargaining. Bill 160 as originally constructed would have directed collective bargaining to the local level as opposed to the provincial level. The provincial level is the way it's done today. Flowing from that as well, the union dues would have gone to the provincial level as opposed to the local level. That's the way it is today, and that's what they requested. We accepted both of their requests in that regard. There were amendments, I'm sure, dealt with yesterday that reflected that.

There were demands in terms of no immediate repeal of the teachers' statutory contracts, which involve jury duty, for example, and dismissal dates and quarantine rules and things like that. We have said, yes, we'll accept that. The regulation will make an extension beyond January 1. We haven't picked the precise date yet, but there will be an extension, which is what they asked for. If they have hearings or proceedings before the Education Relations Commission with regard to bad faith, they wanted to make sure those procedures already in place would be carried through, and we've accepted that, to ensure that takes place.

There are a few others, but you said you had a number of questions. I can get you a complete list, but those are a few of the concessions, I guess, if you want to call them that, that we made.

**Mr Doyle:** I appreciate that.

A number of the people I met with believe the bill would allow cabinet, through orders in council, to order the closing of individual schools, not unlike the hospital restructuring commission, I guess. Is this an accurate assessment under Bill 160?

**Hon David Johnson:** I guess this is another of the — I'm going to go back to the Ontario Catholic School Trustees' Association, because whatever I say may appear self-serving or whatever.

**Mr Wildman:** Never.

**Hon David Johnson:** I'm glad to hear that. I note you have a smile on your face, though.

The Ontario Catholic School Trustees' Association asked that very question: "Does the Minister of Education

now have the authority to close any schools he wants?" as a result of Bill 160 is the implication. They say here, "Clearly, it is the responsibility of school boards to provide pupil accommodation." Nothing in these provisions changes with Bill 160. Nothing that's in place today in terms of school boards having authority over pupil accommodation changes with Bill 160. That's another myth that's out there. One wonders how they get life, but they certainly have.

**Mr Doyle:** Sometimes you get floored by some of the questions you are asked by people who come into your constituency office. I had one individual say to me, "I understand that this act in effect repeals the Education Act." I assured the individual that this was not the case. But these are some of the things that some people — it has been a difficult time.

It has also been claimed in the last few weeks that test results used by the government to indicate below-average results for Ontario students were used incorrectly. It is claimed that other jurisdictions, for example, sampled only streamed students or selective groups of students, while in Ontario every student was tested. I wonder if you could comment on that and the accuracy or inaccuracy of that kind of statement.

**Hon David Johnson:** I may ask the acting deputy minister to assist, but I know that in terms of the Education Quality and Accountability Office and the testing they've done, there was not actually a comparator with other jurisdictions. There was simply a testing within Ontario. All grade 3 students were tested and — was it 10,000 grade 6 students tested?

**Ms Andrew:** I believe that's what the sample is.

**Hon David Johnson:** I don't know precisely on some of the other tests, because they are international tests, the TIMSS international test, and a Canadian test in science last year, in 1996; the deputy may comment on that. But in terms of the Ontario test, in mathematics in grade 6, for example, it unfortunately showed that while the expectation level was a 3 or above, barely over 20%, I think 21%, scored in that range at grade 6 in mathematics. The scoring was higher in language and — was science the other one? They were higher, but they're still not satisfactory. These are tests which in that case didn't compare with other provinces, and there was disappointment. Obviously, there's a need to address that situation and to strengthen the system so our students have the opportunities for learning and do come up to that expected level.

In terms of the other tests, sometimes the statement is made that the curriculum in other provinces happens to overlap more on the tests than the curriculum in Ontario. But what bothers me is that it's test after test after test where we don't seem to come up as high as we would like our students to be, particularly when you consider the amount of money being invested in the system. Over \$14 billion of taxpayers' money is being spent today in the system, and test after test shows, for whatever reason — there may be some reason in each case, I don't know, but it starts to be a bit of a stretch when there is a number of them. We would, as parents and members of the Ontario



community, expect that our students would have better opportunities.

Do you have anything to add?

**Ms Andrew:** There have been a number of tests which compared Ontario results both internationally and then to other provinces, but the EQAO results, where they were talking about the grade 3 and grade 6 sample, were all Ontario schools, and I think the sample was fairly strictly taken.

I know that some people have believed that in the international tests other countries, like Singapore, pre-selected the students who would take the test. I'm not sure we actually have absolutely valid comparisons. I know there's anecdotal information. But when the test results reinforce each other over and over, the exact examples on the international compared to the Ontario ones, I think the significance becomes less. Pauline Laing, the director of curriculum, is here if you want more detailed results.

**Mr Doyle:** Yes, if we could, please.

**Ms Pauline Laing:** My name is Pauline Laing. I'm director of the curriculum branch. The international tests of which you speak are administered by organizations which set rules for participation within these tests. You will notice sometimes when the reports are written that there will be an indication of one or more jurisdictions which for some reason did not comply with all the requirements. But usually that's a very small number of jurisdictions, and we simply have to assume, in view of no strict evidence to the contrary, that participating countries followed the rules. We really don't have any investigation where we can say we have exact data that say this or that country did not follow the rules.

**Mr Doyle:** I see. That was going to be my next question. I was wondering if we know who the ones not following the rules are. I guess we don't.

**Ms Laing:** In a few cases, where there are specific issues, they will be noted, but generally speaking this is not part of the reporting.

1720

**Mr Doyle:** Minister, if I might, there's another question that often comes up. I'm wondering about the change in prep time and how it will alter the structure of the day. There's been a great deal of misunderstanding about this as well. I wonder if you could perhaps expand on that.

**Hon David Johnson:** The amendments which I assume were approved yesterday in the bill — I don't know; I haven't seen which ones absolutely were and which ones weren't — would have set the instructional time in the bill at 1,300 minutes at the elementary level and 1,250 minutes per week at the secondary level. Bear in mind that we're dealing with a week of 1,500 minutes, so the remaining time of 200 minutes in elementary would be largely used for preparation time. That's about the same as it is today. The primary teachers, the elementary teachers, would have the same amount of prep time; indeed some, with the leeway here, could bargain a little more prep time than they have today.

In the case of the secondary teachers, today, out of a five-hour day they spend three and three quarter hours in

the classroom, and the rest, some 75 minutes, is preparation time. This would up the class time to about four and a quarter hours, so they would then spend less in preparation time. I think it would end up closer to about 50 minutes in terms of preparation time per day that would be available.

There is some latitude with principals in terms of the preparation time, so there's a little bit of latitude there for boards to work with that. But primarily what we've been asking is that our teachers spend the same type of time in the classroom as their colleagues do in other provinces. When you take that approach to it these are the kinds of numbers you get. Certainly they need preparation time. There's no question about that. Preparation time will be available, but the amount of time they spend in the classroom and the amount of preparation time they have will be about the same as their colleagues have in other provinces.

**Mr Grimmert:** I'd like to ask the minister if he could compare the current costs of operating the minister's office with that of the previous government.

**Hon David Johnson:** That's a good question. You should have told me you were going to ask that. At Management Board, in the minister's office, I ended up with three political staff. I'm told that the minister before me had 16, I think it was.

**Mr Grimmert:** I just moved into that ministry and there's no coffee available to the staff, which is quite a change from some of the other ministries.

**Hon David Johnson:** In general, of course, this government has had considerably fewer political staff. We have fewer ministries, to start with, and fewer political staff. There were well over 100, 100 or 200, fewer political staff right across, basically ministry by ministry. Some of the ministries need more political staff for support.

**Mr Grimmert:** You're not giving a very good answer here, Minister. You are supposed to know the answer.

**Hon David Johnson:** Okay. Here it is. I see we had 10 members in John Snobelen's office and the minister before John Snobelen had 17 members of staff. There it is right there; seven fewer for the previous minister, and my staff would be below that again, but we may need the 10. We have essentially cut it in half from the previous government. How's that? Is that better?

**Mr Doyle:** You didn't answer the question about the coffee yet.

**Mr Grimmert:** What's your policy going to be at the ministry on whether the ministry provides coffee for staff?

**Hon David Johnson:** The coffee is not in this, but I see the total expenditure is about \$300,000 less, a \$300,000 saving for the taxpayers in the political office.

**The Vice-Chair:** Minister, there's a minute left in your time. Do you want to talk about anything or do you just want to divide it among the three of us?

**Hon David Johnson:** Divide it among the three parties.

**The Vice-Chair:** We now have six minutes left for each party before we have to vote. We'll go to the official opposition.



**Mrs McLeod:** I have a couple of points before I ask what may be my last question, although maybe I'll get two, with the extra third of a minute.

The first point is that I hope the minister and the ministry, if they are looking at achieving a saving out of the preparation time changes in Bill 160, have taken into consideration that any savings they anticipate could well be eaten up by the additional cost to school boards of providing occasional teachers to cover for sick leave, which is now being covered by 50% of the preparation time our secondary school teachers have. I trust that will be taken into account in any financing expectations the ministry has. It concerns me that such inaccurate representations are made of how much actual preparation time our teachers have when 50% of it is actually on-call coverage for teachers who are away.

The second point: I want to set straight for the record one more time that it is a fact that larger class sizes are the result of the combination of government cuts coming at a time of increased enrolment. That is the bottom line. I can test that out in any board you want to look at. In some boards, larger class sizes are the result of saving junior kindergarten, and I can give you a number of examples of that.

If anybody wants to tell their constituents that the government has capped class size in Bill 160, their constituents are going to come back and say, "Then why are my classes larger than what is an average?" The average is the status quo, and it does not prevent class sizes considerably greater than that average number.

I did appreciate the acting deputy minister's care in saying that specific special education classes would be excluded from the average. As I understand the funding formula framework, that means that any remedial classes or withdrawal for remediation has to come out of that class size average.

Those are some points I wanted to put on the record — that need for facts — that concern me greatly.

The question I have, though, comes back to an issue that I know is dear to your heart, Minister, because in every advertisement and every statement made by the government and indeed in the title of Bill 160, you want to talk about accountability and you want to talk about testing. The office that has been established to provide that accountability through testing is the EQAO. The budget for that office, when it was announced originally, was to be \$15 million. I see that you have it at \$11 million. It is expected to be essentially up to full operation within this budget year. I want to know what will be cut to take the budget of EQAO from the originally planned \$15 million down to \$11 million. What testing will not be done because of this cut?

**Hon David Johnson:** I'm not so sure there is a cut, but I guess the acting deputy minister —

**Ms Andrew:** My understanding is that the cuts are more related to how the testing is done than specifically what testing is being done, but we'll have to get back to you with the details. I don't have the details of exactly how the EQAO manages its budget.

**Mrs McLeod:** I appreciate that, but it's a question which I place quite seriously. I am concerned. Particularly from a government which places such emphasis on the importance of testing and accountability, it was a surprising area to see the cut.

**Hon David Johnson:** We're just glad to see the testing start. I'm sure parents are looking forward to —

**Mrs McLeod:** Indeed, and the previous government can be complimented for having put that office in place. I'd like to see the funding for it maintained.

1730

**Hon David Johnson:** We need to know where our children stand.

**Mrs McLeod:** Yes, and that's why I'd like to see the funding maintained.

If there is time for a further question, I would be interested in the expectation of savings in Metropolitan Toronto and Ottawa by the reduced funding for junior kindergarten. As you will know, the funding is at the regular rate of grant; it's not full funding. That \$145 million was anticipated outside of Toronto and Ottawa. I'd like to know what the funding savings expectations are. I recognize that some of the \$667 million in savings may well come from adult education and junior kindergarten in Metropolitan Toronto and Ottawa. If that's a fact, I'd like to know exactly how much it's going to be.

Last, because I will run out of time, I'd be very interested in any comments you might have, Minister, on progress or lack of progress or plans you have for early retirement packages for teachers.

**Hon David Johnson:** First of all, the member opposite keeps talking about the \$667 million as if I'm going to make something add up to the \$667 million. She's going to be disappointed time after time, because I'm not going to —

**Mrs McLeod:** I have never expected the Conservative numbers to add up, Minister, so I won't be looking for that.

**Hon David Johnson:** In terms of whether anything is going to add up to some number that might have been deemed achievable at one point in time, clearly the only one that counts is the budgetary process in terms of how moneys are allocated to all the different programs, whether it be apprenticeship or junior kindergarten or you name it.

**Mrs McLeod:** I would like to see the funding formula.

**Hon David Johnson:** That's the process that I'm sure she'll keep her eye on, and the funding formula will be the most important. Having said that —

**Mrs McLeod:** Early retirement.

**Hon David Johnson:** First of all, there is a natural attrition within the system. The expectation is that some 4,000 teachers will leave each year over the next two years, for some 8,000 teachers. If school boards come to the conclusion, perhaps as a result of the instructional time requirement now of 1,250 minutes, that fewer teachers are needed at some point in time — is that your concern? If it is, as a result of the natural attrition I think there will be a certain match there. It may not be 100%; I don't know.

But certainly the government is prepared to enter into discussions around the early retirement.

The previous minister put forward a suggestion. I must say it wasn't greeted with a great deal of enthusiasm at that point by the teachers' unions. It involved the pension fund and maybe a reduced factor from 90 down to some other factor. When one gets to making suggestions about the pension fund, one is walking on thin ice, because there can be accusations of raiding the plan or something of that nature. I waited for an initiative from the teachers, and there was no initiative given to me in that regard during the recent discussions. But we're still here to talk about this matter and I'm prepared to talk about this matter.

**Mrs McLeod:** But there's no government money on the table to fund any proposals.

**Hon David Johnson:** There was an amount put on —

**Ms Andrew:** The budget: \$250 million, I believe.

**Mrs McLeod:** That's not new money, though. I believe that \$250 million would come out of existing pension fund contributions.

**Hon David Johnson:** Peter may assist.

**The Vice-Chair:** The time is up anyway, unless Mr Wildman wants to pursue it.

**Mr Wildman:** Is that money out of the pension fund, the \$250 million?

**Mr Wright:** Under the current accounting rules the government has, it has to register any early retirement initiative which is a benefit improvement on its own books. So although the money comes out of the pension plan, the \$250 million, we have to record on our books an expenditure of \$250 million, which the government did in the last budget.

**Hon David Johnson:** A proposal of that nature was put forward and polled three times, and three times it was rejected. If there is some other proposal we can talk about, I'm more than willing to talk.

**Mr Wildman:** I checked my addition; I said \$970 million in my earlier comments, but it actually was \$870 million, if you use the Conservative figure, that needs to be saved.

I want to put on the record, very briefly in the few minutes, something I raised in our debate on Bill 160 in the other committee yesterday. Since you're not talking about maximum class sizes but about capping an average across boards, in my area we have the largest geographic board in Ontario thanks to the stupidity of this government. By putting Hornepayne into district school board number 2, when nobody thought it was a good idea to do that — in Hornepayne they have a very small high school. There are very, very small classes; a total of 84 students in that school. The closest place in one direction is about 80 miles to Hearst, and in the other direction the closest place with a high school is 120 miles. If you're going to have average class sizes across that board, the days are numbered for that high school and those kids are going to have to be boarded out somewhere. That's the effect of what you're doing.

**Mrs McLeod:** With the lost prep time.

**Mr Wildman:** Along with the lost prep time, exactly. That's what the effect is, the practical, real effect it's going to have, thanks to what you're doing.

**Hon David Johnson:** Well —

**Mr Wildman:** I don't want an answer to that, because we don't have time.

**Hon David Johnson:** You don't want an answer?

**Mr Wildman:** No. I've already told you what's going to happen to Hornepayne because of the stupidity of this government.

**Mr Wright:** That's not what's going to happen.

**Mr Wildman:** With respect, I don't have much time and I want to raise one other matter. Will your average prep time and contact time for teachers work in a semestered system? If you have four blocks of 50 minutes or an hour or 70 minutes — not an eight-period day — and you have half an hour less, how is it going to work? It doesn't work. You either teach four out of four in one semester — in other words, have no prep time and have all your prep time in the second semester — or you don't have a semestered system.

**Ms Andrew:** I believe you can allocate them across the week in a semestered system. We're working on those details. You don't teach the same subject every day. The way it works, for instance, in British Columbia is that people get a period off every other day in a semestered system. We're working through those options right now as to how it would work. With the right of principals to allocate and make adjustments, we're looking at those options too.

**Mrs McLeod:** So much for subject specialists.

**Mr Wildman:** So much for subject specialists, as my colleague says. In essence, what it will probably mean in the long run is the end of the semestered system, which may be a good thing. There may be those who think the semestered system is not a good idea. That's going to be the end result. You will not have the opportunity for local boards or local schools to go that route at the secondary level even if they feel it's desirable, just because they can't accommodate the timetabling administratively.

**Hon David Johnson:** Since there is a minute left —

**Mr Wildman:** You want to say something about Hornepayne? If you can guarantee me that a new board is going to put up with classes of two kids in Hornepayne and work out an average so that in other schools in that system they'll have enormous class sizes to make up for it, I'll accept your explanation.

**Mr Wright:** Clearly I can't guarantee any class size in Hornepayne, but what the formula is doing — let's start with what we're setting. It's a maximum average class size, which says a board can't be above it. There are provisions in the funding model now, which will be continued in the new funding model, that provide for small schools in a number of situations, which Hornepayne currently benefits from.

**Mr Wildman:** But you know that the provision in that formula now doesn't meet the needs of Hornepayne.

**Mr Wright:** But the provision in that formula now allows you to have the lower class sizes that you're talking

about. With all that money provincially being available, recognition will still be made of small schools in those kind of situations.

**Mr Wildman:** I understand; if the board accepts it.

**The Vice-Chair:** Time's up. Bill, your time.

**Mr Grimmett:** We were going to allow Mr Wright to continue in that vein. Do you have any further comments, Mr Wright, on those issues?

**Mr Wright:** I think Mr Wildman has made an interesting point, that it will depend in part on what the board decides it's going to do, but you have to place your faith that within the parameters the government has set and the funding it will provide, the board will make reasonable decisions for those communities.

**Mr Wildman:** That's why the Hornepayne school authority shouldn't be part of district school board number 2.

**The Vice-Chair:** It's the government's time, please, Mr Wildman.

**Mr Grimmett:** I wonder, since the hour is drawing near, if we should start the voting procedure now, Mr Chair, since the bells will start to ring soon.

**The Vice-Chair:** Actually, we have a couple of minutes left, but if we get all-party concurrence, let's wrap it

up. Okay? Then with all-party concurrence, it's time to move to the vote.

**Mrs McLeod:** Mr Chair, could I just express an apology to the ministry staff? I'm sure there are post-secondary education people here. We didn't touch it in these estimates, and I really regret that.

**The Vice-Chair:** Somehow, I think they're probably a little happy.

Let's go to the vote. We're voting on the estimates of the Ministry of Education and Training.

Shall votes 1001 to 1004, inclusive, carry? All in favour? All opposed? Carried.

Shall the estimates of the Ministry of Education and Training carry? All in favour? All opposed? Carried.

Shall I report the estimates of the Ministry of Education and Training to the House? All in favour? Opposed? Carried.

This ends the estimates. Before we adjourn, I would like to thank the minister and his staff for appearing before us. I would like to thank very much the committee clerk and the committee research officer and the people from Hansard, who have done an excellent job. The minister is offering you some cookies. He's not offering me cookies. The meeting is adjourned.

*The committee adjourned at 1741.*



## CONTENTS

Wednesday 19 November 1997

<b>Ministry of Education and Training .....</b>	<b>E-1169</b>
Hon David Johnson, minister	

### STANDING COMMITTEE ON ESTIMATES

#### **Chair / Président**

Mr Gerard Kennedy (York South / -Sud L)

#### **Vice-Chair / Vice-Président**

Mr Rick Bartolucci (Sudbury L)

Mr Rick Bartolucci (Sudbury L)

Mr Gilles Bisson (Cochrane South / -Sud ND)

Mr John C. Cleary (Cornwall L)

Mr Ed Doyle (Wentworth East / -Est PC)

Mr Bill Grimmett (Muskoka-Georgian Bay / Muskoka-Baie-Georgienne PC)

Mrs Helen Johns (Huron PC)

Mr Gerard Kennedy (York South / -Sud L)

Mr Trevor Pettit (Hamilton Mountain PC)

Mr Wayne Wettlaufer (Kitchener PC)

#### **Substitutions / Membres remplaçants**

Mrs Lyn McLeod (Fort William L)

Mr Jerry J. Ouellette (Oshawa PC)

Mr Bud Wildman (Algoma ND)

#### **Also taking part / Autres participants et participantes**

Ms Joan Andrew, assistant deputy minister

Ms Pauline Laing, project director, curriculum learning and teaching branch

Mr Peter Wright, director, education finance branch

Mr Richard Patten (Ottawa Centre / -Centre L)

Mr Gerry Phillips (Scarborough-Agincourt L)

#### **Clerk / Greffière**

Ms Rosemarie Singh

#### **Staff / Personnel**

Ms Alison Drummond, research officer, Legislative Research Service











